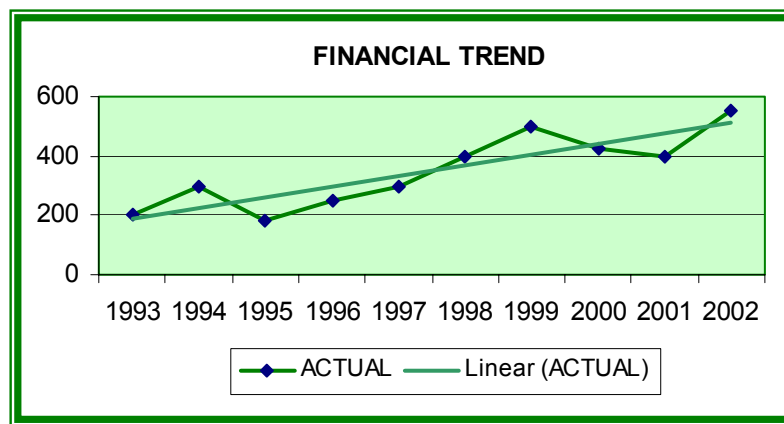




CITY OF RYE, NEW YORK

2002 Financial Trends Report Fiscal Years Ended December 31 - 1993 through 2002



Published by
CITY OF RYE FINANCE DEPARTMENT
Michael A. Genito, City Comptroller

August 2003



CITY OF RYE, NEW YORK

2002 Financial Trends Report
Fiscal Years Ended December 31
1993 through 2002

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CITY OF RYE FINANCE DEPARTMENT
August 2003

Frank Culross
INTERIM CITY MANAGER

Michael A. Genito
CITY COMPTROLLER

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CITY OF RYE
Department of Finance
TRANSMITTAL LETTER

August 8, 2003

To the Honorable Mayor, City Council and City Manager of the City of Rye, New York:

Submitted herewith is the 2002 Financial Trends Report for the City of Rye, New York, covering the ten-year trend period for fiscal years ending December 31, 1993 through December 31, 2002.

This report consists of this transmittal letter, an introduction, an executive summary, and the graphic representation and analysis of selected financial indicators for our general government operations (General Fund, Cable TV Fund, Nature Center Fund, and Debt Service Fund) and those of our enterprise funds (Boat Basin Fund and Golf Club Fund).

The indicators presented herein should be taken in the context and consideration of all the indicators, the financial results supporting those indicators, and information from other sources such as our annual budget document and the annual department reports to our City Manager. No single indicator stands on its own as a representative picture of a trend. Rather, each indicator adds to the collage, which when viewed in perspective, presents a fuller understanding of our general fiscal health.

We selected the indicators from publications of the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA), and Moody's Investors Service.

We look forward to your comments and questions, and especially any suggestions you may have which might improve the reading of this report or analysis and use of its contents.

Very truly yours,
CITY OF RYE

A handwritten signature in black ink, appearing to read 'Michael A. Genito'.

Michael A. Genito
City Comptroller

INTRODUCTION

Purpose of the Financial Trends Report

The Financial Trends Report allows a user to view in graphic form the financial direction our City appears to be taking based upon key financial indicators. The report may assist in the development of budgets, forecasts, and other useful financial tools.

Evaluating the Information

This report should be viewed in its entirety, considering the individual indicators and trends represented by them as parts of a whole. No single indicator can present the complete picture. For instance, an operating deficit (where expenditures exceed revenues) by itself may appear to be a negative result. However, some deficits are planned to reduce excessive fund balance through the funding of needed or desired programs. Likewise, a stable tax rate and tax receipts may appear to be a positive trend, but when taking into account the effects of inflation, the purchasing power of those dollars may be declining. In short, do not judge any individual factor by itself.

Sources of Information

The Financial Trends Report was created using *Evaluating Financial Condition - A Handbook for Local Government* (ICMA, 1994), *1997 Medians - Selected Indicators of Municipal Performance* (Moody's Investors Service, 1997), and a number of other accounting and financial sources as guides. The indicators selected are popular, but by no means the only indicators that can be used as tools in evaluating the financial and economic health of a community.

Financial data was taken from our comprehensive annual financial reports. Information as to the number of actual employees in service at year-end was taken from our annual budget documents. Population estimates are per the U.S. Census Bureau (<http://www.census.gov>). The consumer price index used in calculating dollars adjusted for inflation is the Consumer Price Index - All Urban Consumers ("CPI-U"), not seasonally adjusted, New York-Northern New Jersey-Long Island, NY-NJ-CT-PA for all items with a base period of 1982-1984=100, per the Bureau of Labor Statistics (<http://www.bls.gov>). Equalization rates were as provided by Westchester County for New York State municipalities.

Trend Period

The trend period is a ten-year period ending with the most recently completed fiscal year. The reader is encouraged to review the trend graphs in context with the data presented, the interperiod fluctuations, and accompanying analysis.

Numbering Conventions

All dollar figures are in U.S. dollars. Ratios are either presented as percentages (a percent of some number) or coverage (how many times to one). Where appropriate, dollar value trends are displayed in both actual amounts and in constant dollars. Constant dollars are calculated using the CPI-U of the first year in the ten-year trend period as the base (\$1 = \$1) index, and dividing each successive year's CPI-U by that base to adjust for inflation.

Operating Revenues and Expenditures

Operating revenues include all revenues except for operating transfers in and “one-shot” revenues. One-shot revenues are defined as those revenues that are material in nature and unexpected or unlikely to occur again. The one-shot revenues in actual dollars excluded from our revenue numbers are: a \$1,525,439 gain from the sale of the Parson's Estate in 1995; a \$180,480 gain from the foreclosure sale of 6 Ellis Court in 1996, and a \$605,663 one-time state aid payment received in 1996. Operating expenditures do not include transfers out to other funds.

Funds Represented

This report consolidates the General Fund, Special Revenue Funds (Cable TV Fund and Nature Center Fund), and Debt Service Fund, reporting on their activity as a consolidated group called “general government operations”. The report also includes individual trends on each of our enterprise funds (Boat Basin Fund and Golf Club Fund).

Questions and Comments

Questions and comments concerning this report may be directed to the City Comptroller. We look forward to your input.

EXECUTIVE SUMMARY

General Government Operations

Our general government operations are in sound financial condition, but we must ensure that we have the willingness to take action where necessary to ensure that the positive trends continue.

In the past ten years, we have seen our revenues grow less rapidly than our expenditures. While in earlier years our planned (budgeted) operating deficits actually came in as operating surpluses, as we budgeted more realistically (raising our revenue estimates and trimming our expenditure estimates), the positive year-end operating results began to diminish. Our budgets more recently began coming in on target. Indeed, in fiscal 2001 we experienced the operating deficit we budgeted. Fortunately, our unreserved and undesignated fund balance remains above our policy target of 5% of appropriations.

One area of discussion concerning the annual budget has been the use of undesignated fund balance as a financing source to fund some of the forthcoming year's appropriations. It should first be noted that while it can be a *financing* source, it is not a *revenue* source. In other words, fund balance will not automatically regenerate itself unless actual expenditures fall below and/or actual revenues come in above the originally budgeted estimates. It should also be noted that there is nothing wrong with using undesignated fund balance to "balance the budget", but care should be taken as to how much of it is used to fund recurring operating expenditures as opposed to one-time capital improvements or the pay-down of debt. For instance, fund balance used to fund some of the salary and benefit costs of the forthcoming year only delays a tax increase to a future year. On the other hand, fund balance used to purchase long-term assets (such as a fire truck) or pay off existing debt will reduce the amount needed to pay debt service in future years and eliminate the need for a tax increase related to such debt service. A review of our trend of property tax revenues reveals that our actual property tax revenues over the past decade have ranged from \$9.1 million to \$12 million. This means that every \$120,000 in required additional funding (assuming no other offsetting revenues) translates to a 1% increase in property taxes. In short, our use of fund balance should always be judicious.

As previously stated, we are in sound financial condition. Our trends are positive, and we have improved over the past ten years. However, our more realistic budgeting is providing the results we seek, reducing our fund balance closer to target level. With minimal fund balance available to offset recurring operating expenditures we must now focus our efforts on developing budgets where operating revenues are sufficient to cover operating expenditures. In this way we will preserve the positive trends, ensuring our financial health and stability. With this as an introduction, we offer our analysis of the trends displayed in this report:

Our liquidity ratio and current ratio are both on a positive upward trend, each of them well above their target levels. Current liabilities to net operating revenues also shows a positive trend. These indicators show that we have no difficulty meeting our immediate expenditures with current funds. Undesignated fund balance to net operating revenues shows a positive increasing trend. As previously noted, balanced budgets and our judicious use of fund balance will help us maintain these positive trends.

There is a steadily declining trend in the difference between our net operating revenues and net operating expenditures, indicating that while our revenues continue to be sufficient to meet our expenditures we must carefully plan our budgets and manage our operations to stabilize the situation.

Net operating revenues on a gross as well as per capita basis show a strong positive upward trend. Property tax revenues have grown steadily. While uncollected property taxes remain low, tax liens are increasing. This indicates that we should reduce outstanding tax liens aggressively through the annual tax lien/foreclosure process.

Elastic revenues as a percentage of net operating revenues have increased dramatically. While this minimizes increases in property taxes, we must recognize that our increasing dependence on elastic revenues also increases our vulnerability to economic downturns.

Net operating revenues, gross and per capita, have increased moderately over the trend period, but not enough to offset equivalent increases in expenditures. Fringe benefits, a major component of expenditures, while showing a positive (declining) ten-year trend, also show an increase over the past three years. We have recently been advised of forthcoming major increases in retirement costs, and 15% is an accepted annual increase in the medical insurance industry. We must consider these issues when negotiating labor agreements and developing budget estimates.

Steady gains have been made in the investment in non-capital equipment, a sign that we are replacing old, unsafe, and/or obsolete assets as needed.

The issue of operating surplus and use of fund balance was discussed earlier in this report. For many years the robust economy allowed us to continually provide higher levels of service to the community, with healthy year-end results that allowed our fund balance to grow. Going forward we must evaluate those same levels of service in light of the existing economic conditions and our requirement to maintain an acceptable fund balance of at least 5%.

Our debt indicators show that while our debt has increased, we continue to enjoy very low debt ratios. It is also evident that the trend of City-issued debt is less of a burden than that of overlapping (County and school district) debt. Debt service coverage (the ability to pay debt with current revenues) shows a positive trend, but we must budget and plan to ensure that this trend continues in a positive direction.

According to the U.S. Census Bureau, our population has essentially remained the same at around 15,000 over the past ten years. The number of municipal employees per 1,000 population has also remained stable at around 10 since that time. This would indicate that we have become more productive since 1993, a commendable trend.

Boat Basin Enterprise Fund

Established as an enterprise fund in 1993, all of the financial indicators for the Boat Basin Fund are extremely strong and positive. The Boat Basin Fund has no outstanding debt, and has been able to fund all of its building, facility and equipment improvements through current funds.

Our liquidity ratio and current ratio have continued to grow, spiking in fiscal years 1999 and 2000 just prior to the expenses related to the marina dredging project. Net working capital has been on a steady rise, reaching its highest point in fiscal 2002. The rising trend of net fixed assets exhibits our commitment to the replacement of aging and obsolete facilities and equipment.

The spread between our revenues and expenses continues to exhibit a positive one, increasing slightly over the ten-year trend period. Revenues have risen more dramatically than expenses, resulting in a very healthy trend in the operating ratio and net take-down.

Golf Club Enterprise Fund

Also established as an enterprise fund in 1993, the Golf Club Fund shows a positive trend in all indicators. However, close attention must be paid to operations to ensure that these positive trends continue.

Since 1994 the liquidity ratio has remained comfortably above target. The current ratio has remained at or above target since 1997. Both ratios were impacted favorably by the proceeds of the 1998 Serial Bonds in fiscal years 1998 and 1999. Net working capital has risen over the trend period, but narrowed considerably in the past two years. Net fixed assets have risen positively over the past decade, a reflection of our major investment in Whitby Castle and other facilities owned and operated by the Golf Club.

The trend of the spread between revenues and expenses is a relatively constant one, increasing slightly over the trend period. Fees, charges, and the cost of services provided should be examined carefully to ensure that the spread is maintained. The operating ratio is on a positive downward trend and net take-down is on a positive upward trend.

Debt, while rising over the trend period due to the issuance of the 1998 Serial Bonds, is once again exhibiting a downward trend positive trend since 1998. The various debt service ratios (interest coverage, debt service coverage, debt service safety margin) all show positive trends.

Respectfully submitted,

A handwritten signature in cursive script, reading "Michael A. Genito".

Michael A. Genito
City Comptroller

FINANCIAL INDICATORS AND ANALYSIS

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General Government Operations

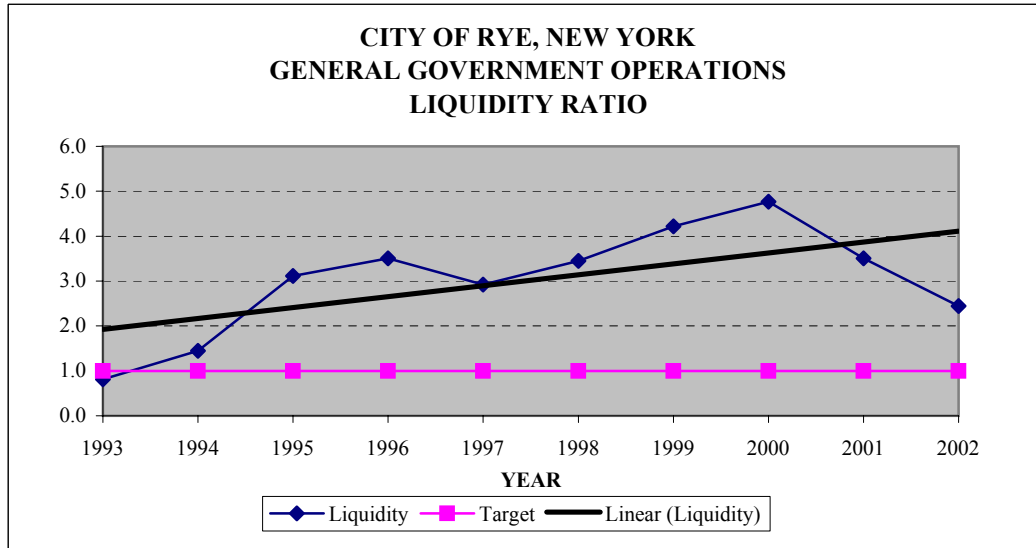
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**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Liquidity Ratio**

Formula: Cash and Short-Term Investments/Current Liabilities

Warning Trend: Decreasing trend line



Year	Cash and Short-term Investments	Current Liabilities	Liquidity	Target
1993	\$2,067,874	\$2,546,267	0.8	1.0
1994	\$2,829,459	\$1,955,674	1.4	1.0
1995	\$5,225,996	\$1,677,892	3.1	1.0
1996	\$4,450,538	\$1,270,461	3.5	1.0
1997	\$5,191,221	\$1,778,872	2.9	1.0
1998	\$5,353,235	\$1,552,985	3.4	1.0
1999	\$6,034,172	\$1,430,342	4.2	1.0
2000	\$7,003,822	\$1,470,088	4.8	1.0
2001	\$5,364,407	\$1,528,718	3.5	1.0
2002	\$5,713,805	\$2,339,263	2.4	1.0

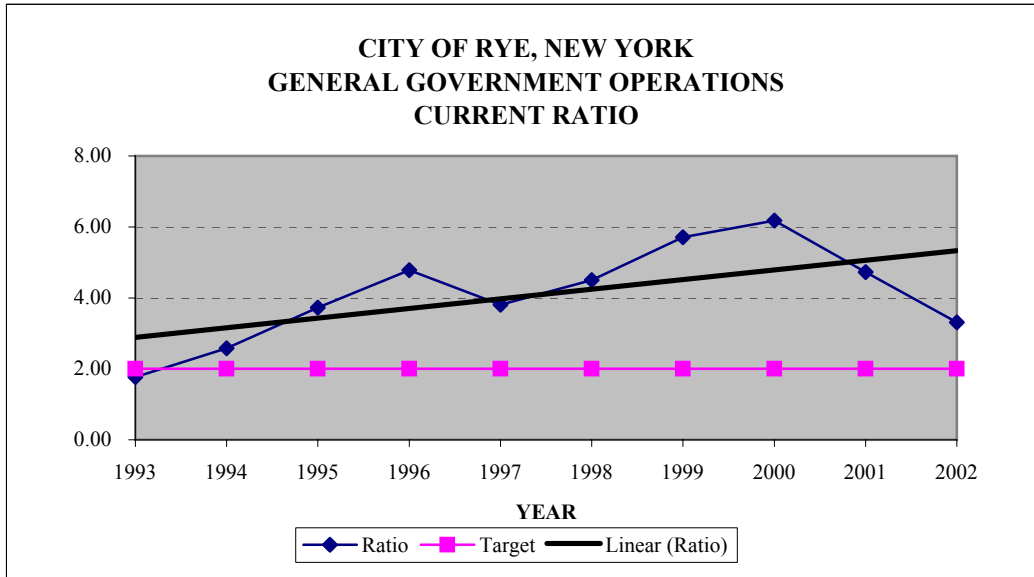
The liquidity ratio, also known as the "cash ratio", measures our ability to pay off current liabilities with cash and short-term investments. Current liabilities are the amounts we owe that are expected to be paid off within the next twelve months, including such items as accounts payable, accrued liabilities, and amounts due to other funds. Cash is the cash we have on hand and in checking and savings accounts. Short-term investments are certificates of deposit and securities that will be redeemed or sold within the next twelve months. Beginning with 1994, our liquidity ratio has remained above the target level of 1:1.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Current Ratio**

Formula: Current Assets/Current Liabilities

Warning Trend: Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1993	\$4,496,699	\$2,546,267	1.77	2.00
1994	\$5,044,222	\$1,955,674	2.58	2.00
1995	\$6,254,413	\$1,677,892	3.73	2.00
1996	\$6,073,254	\$1,270,461	4.78	2.00
1997	\$6,763,546	\$1,778,872	3.80	2.00
1998	\$6,984,428	\$1,552,985	4.50	2.00
1999	\$8,168,251	\$1,430,342	5.71	2.00
2000	\$9,084,596	\$1,470,088	6.18	2.00
2001	\$7,223,186	\$1,528,718	4.72	2.00
2002	\$7,745,362	\$2,339,263	3.31	2.00

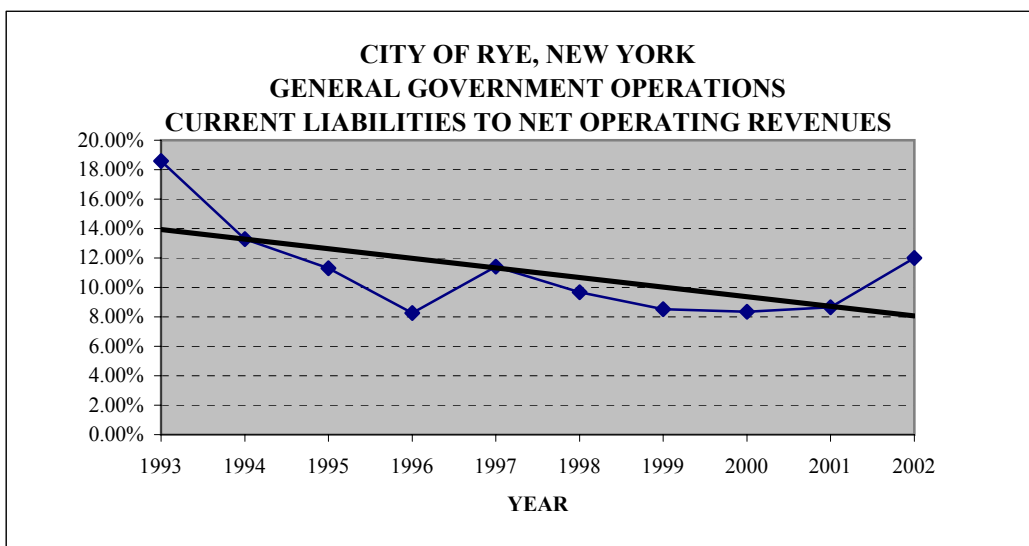
The current ratio measures our ability to pay off current liabilities with current assets. Current assets are defined as cash and amounts we own that can be converted into cash within the next twelve months, and include such items as short-term investments, accounts receivable and amounts due from other funds. Our current ratio has remained above the target level of 2:1 since 1994.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Current Liabilities to Net Operating Revenues**

Formula: Current Liabilities/Net Operating Revenues

Warning Trend: Increasing trend line



Year	Current Liabilities	Net Operating Revenues	Percent
1993	\$2,546,267	\$13,691,279	18.60%
1994	\$1,955,674	\$14,727,709	13.28%
1995	\$1,677,892	\$14,848,353	11.30%
1996	\$1,270,461	\$15,396,596	8.25%
1997	\$1,778,872	\$15,583,753	11.41%
1998	\$1,552,985	\$16,037,984	9.68%
1999	\$1,430,342	\$16,795,641	8.52%
2000	\$1,470,088	\$17,625,639	8.34%
2001	\$1,528,718	\$17,666,551	8.65%
2002	\$2,339,263	\$19,509,392	11.99%

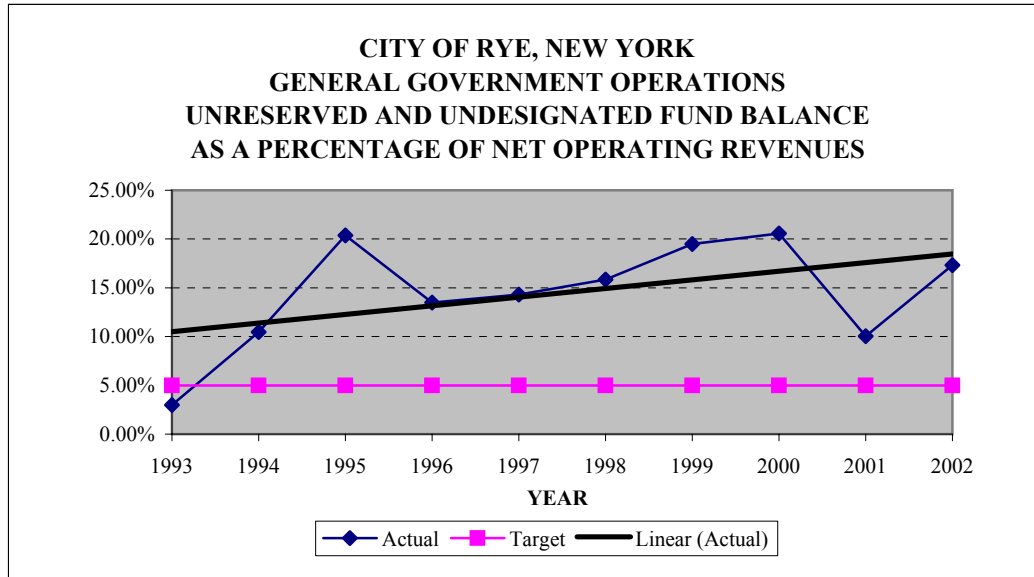
Net operating revenues are defined as all revenues other than operating transfers in and revenues restricted or mandated for specific spending purposes. Current liabilities as a percentage of net operating revenues measures our commitment to paying off current bills with revenues received during the year. An increase in this ratio may indicate liquidity problems if there is an inappropriate use of short-term borrowing or deficit spending. Our general government operations over the ten-year period exhibit a downward (positive) trend.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Undesignated Fund Balance to Net Operating Revenues**

Formula: Unreserved & Undesignated Fund Balance/Net Operating Revenues

Warning Trend: Decreasing trend line



Year	Undesignated Fund Balance	Net Operating Revenues	Percent Undesignated Actual	Target
1993	\$410,274	\$13,691,279	3.00%	5.00%
1994	\$1,540,302	\$14,727,709	10.46%	5.00%
1995	\$3,025,311	\$14,848,353	20.37%	5.00%
1996	\$2,075,313	\$15,396,596	13.48%	5.00%
1997	\$2,227,243	\$15,583,753	14.29%	5.00%
1998	\$2,543,032	\$16,037,984	15.86%	5.00%
1999	\$3,271,588	\$16,795,641	19.48%	5.00%
2000	\$3,627,720	\$17,625,639	20.58%	5.00%
2001	\$1,775,962	\$17,666,551	10.05%	5.00%
2002	\$3,377,595	\$19,509,392	17.31%	5.00%

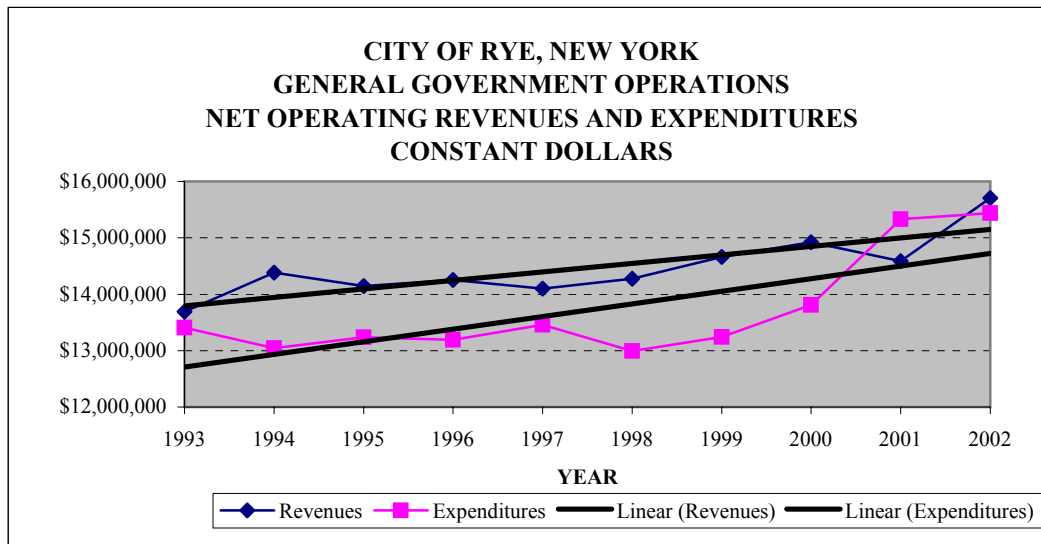
Unreserved and undesignated fund balance is defined as the amount of fund balance that is neither legally restricted nor voluntarily designated for specific purposes. Our financial policies provide that we should strive to maintain an unreserved and undesignated fund balance of at least 5% of total General Fund appropriations. We use this same target in the analysis of our general government operations. Our unreserved and undesignated fund balance has exceeded the 5% target with double digit percentages for all years except 1993.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Operating Revenues vs. Net Operating Expenditures**

Formula: Net Operating Revenues; Net Operating Expenditures

Warning Trend: Decreasing distance between trend lines



Year	CPI-U	Actual Operating Revenues	Actual Operating Expenditures	Constant Dollar Revenues	Constant Dollar Expenditures
1993	154.5	\$13,691,279	\$13,407,201	\$13,691,279	\$13,407,201
1994	158.2	\$14,727,709	\$13,354,781	\$14,383,256	\$13,042,438
1995	162.2	\$14,848,353	\$13,896,199	\$14,143,468	\$13,236,515
1996	166.9	\$15,396,596	\$14,252,167	\$14,252,691	\$13,193,288
1997	170.8	\$15,583,753	\$14,878,737	\$14,096,545	\$13,458,811
1998	173.6	\$16,037,984	\$14,601,234	\$14,273,436	\$12,994,762
1999	177.0	\$16,795,641	\$15,172,517	\$14,660,602	\$13,243,807
2000	182.5	\$17,625,639	\$16,312,552	\$14,921,431	\$13,809,804
2001	187.1	\$17,666,551	\$18,565,254	\$14,588,360	\$15,330,474
2002	191.9	\$19,509,392	\$19,176,407	\$15,707,145	\$15,439,056

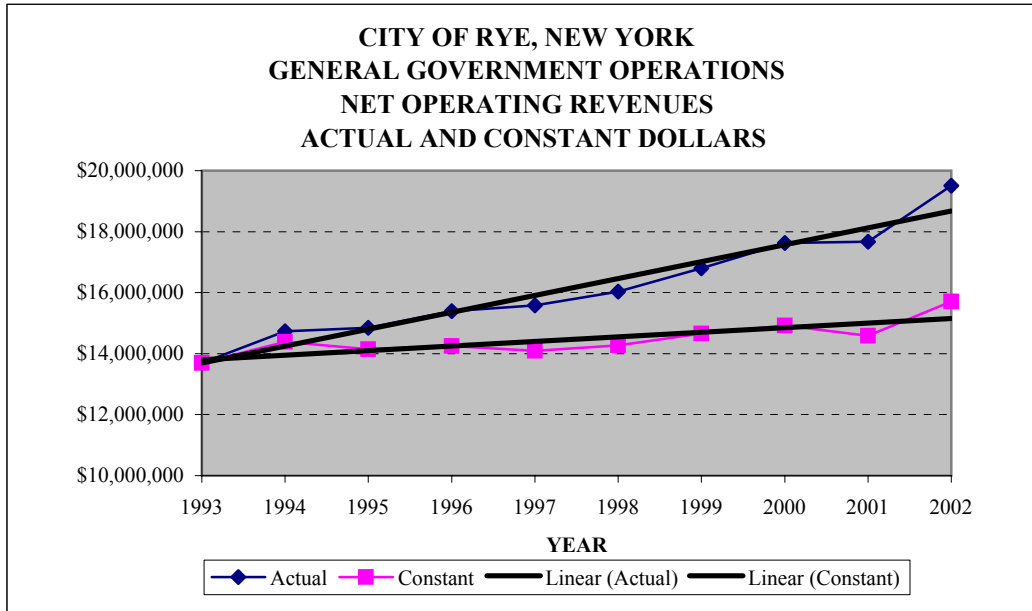
When net operating revenues and net operating expenditures are compared over time, we get a better picture of how well we are matching our revenues to expenditures. Net operating expenditures are defined as all expenditures other than operating transfers out. In this indicator, a positive trend is when net operating revenues and net operating expenditures move in tandem in the same direction. A negative trend occurs when the lines begin to converge or cross. The lines are converging, an indication that we must develop future budgets to ensure that the trend can be halted or reversed.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Operating Revenues**

Formula: Net Operating Revenues

Warning Trend: Decreasing trend line



Year	CPI-U	Net Revenues	
		Actual	Constant
1993	154.5	\$13,691,279	\$13,691,279
1994	158.2	\$14,727,709	\$14,383,256
1995	162.2	\$14,848,353	\$14,143,468
1996	166.9	\$15,396,596	\$14,252,691
1997	170.8	\$15,583,753	\$14,096,545
1998	173.6	\$16,037,984	\$14,273,436
1999	177.0	\$16,795,641	\$14,660,602
2000	182.5	\$17,625,639	\$14,921,431
2001	187.1	\$17,666,551	\$14,588,360
2002	191.9	\$19,509,392	\$15,707,145

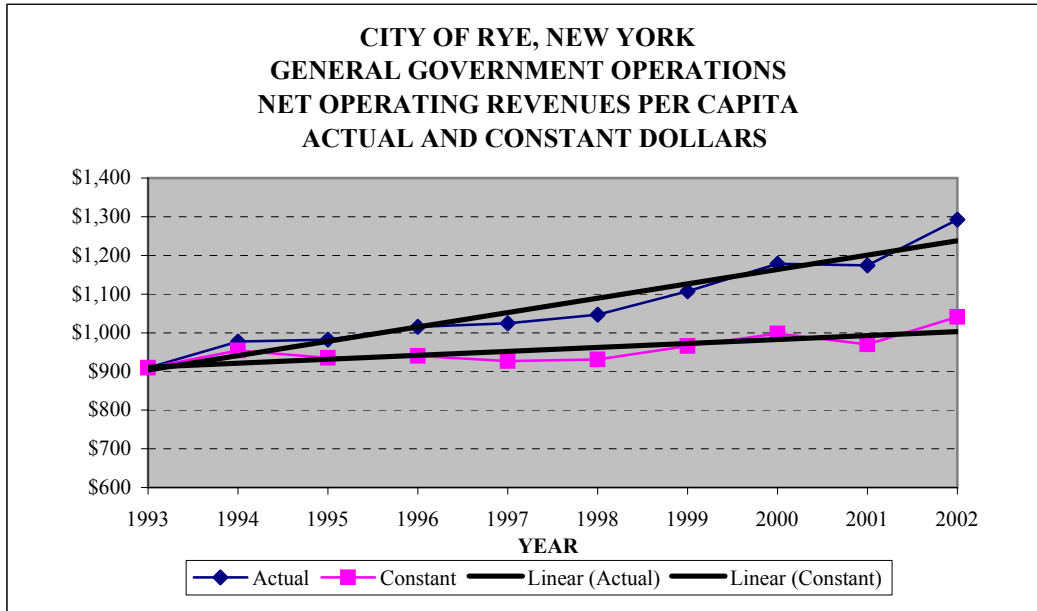
The purpose of this indicator is to show the trend of net operating revenues and the effects of inflation on that trend. Our trend shows a steady increase in actual net operating revenues, but when the effects of inflation are accounted for, the trend flattens considerably. This emphasizes the need to evaluate our operating expenditures as adjusted for inflation when developing fees and user charges.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Operating Revenues Per Capita**

Formula: Net Operating Revenues/Population

Warning Trend: Decreasing trend line



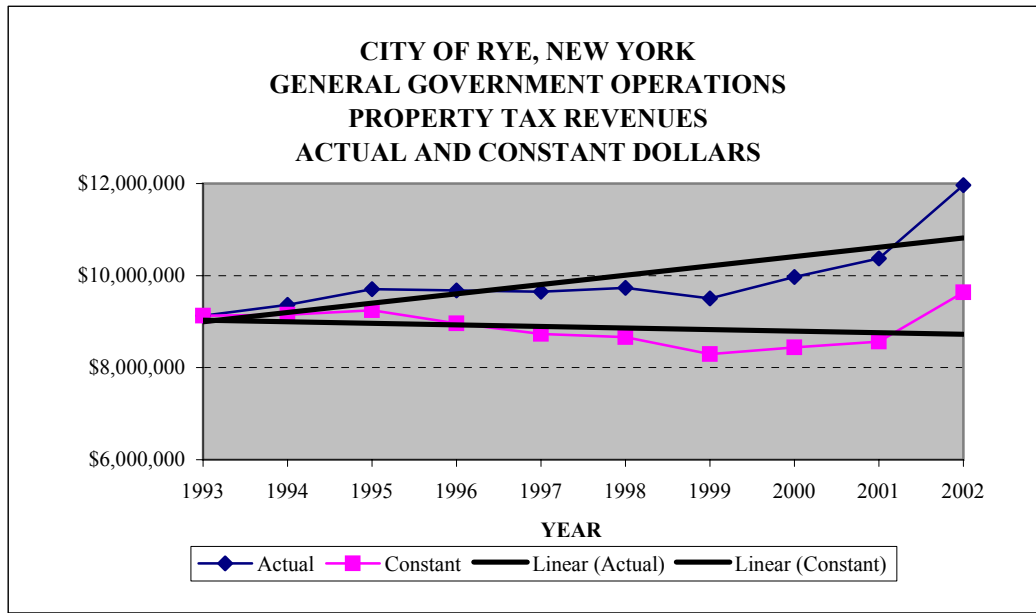
Year	CPI-U	Population	Actual Revenues	Per Capita Actual	Per Capita Constant
1993	154.5	15,060	\$13,691,279	\$909	\$909
1994	158.2	15,071	\$14,727,709	\$977	\$954
1995	162.2	15,122	\$14,848,353	\$982	\$935
1996	166.9	15,164	\$15,396,596	\$1,015	\$940
1997	170.8	15,208	\$15,583,753	\$1,025	\$927
1998	173.6	15,326	\$16,037,984	\$1,046	\$931
1999	177.0	15,176	\$16,795,641	\$1,107	\$966
2000	182.5	14,955	\$17,625,639	\$1,179	\$998
2001	187.1	15,041	\$17,666,551	\$1,175	\$970
2002	191.9	15,092	\$19,509,392	\$1,293	\$1,041

The purpose of this indicator is to measure how effectively we are earning revenue by calculating it on a per resident basis. Our trend in actual dollars per capita is a strong and steady increase, but in constant dollars the impact is less dramatic. This is important to remember when developing our revenue estimates and setting our taxes, fees, and other revenues.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Property Tax Revenues**

Formula: Property Tax Revenues
Warning Trend: Decreasing trend line



Year	CPI-U	Property Tax Revenues Actual	Property Tax Revenues Constant
1993	154.5	\$9,128,597	\$9,128,597
1994	158.2	\$9,365,212	\$9,146,177
1995	162.2	\$9,704,643	\$9,243,942
1996	166.9	\$9,680,734	\$8,961,494
1997	170.8	\$9,653,297	\$8,732,051
1998	173.6	\$9,731,058	\$8,660,417
1999	177.0	\$9,505,107	\$8,296,831
2000	182.5	\$9,970,349	\$8,440,652
2001	187.1	\$10,372,711	\$8,565,387
2002	191.9	\$11,965,741	\$9,633,700

Property taxes are a major component of our general government operations, accounting for almost 60% of our total revenues. The amount of property tax revenue is dependent upon our tax rate and the value of our taxable assessed properties. The overall trend is a slight increase. The effects of inflation indicate a reduction in the purchasing power of property tax revenues, a trend which cannot be sustained without additional offsetting revenues or decreases in expenditures.

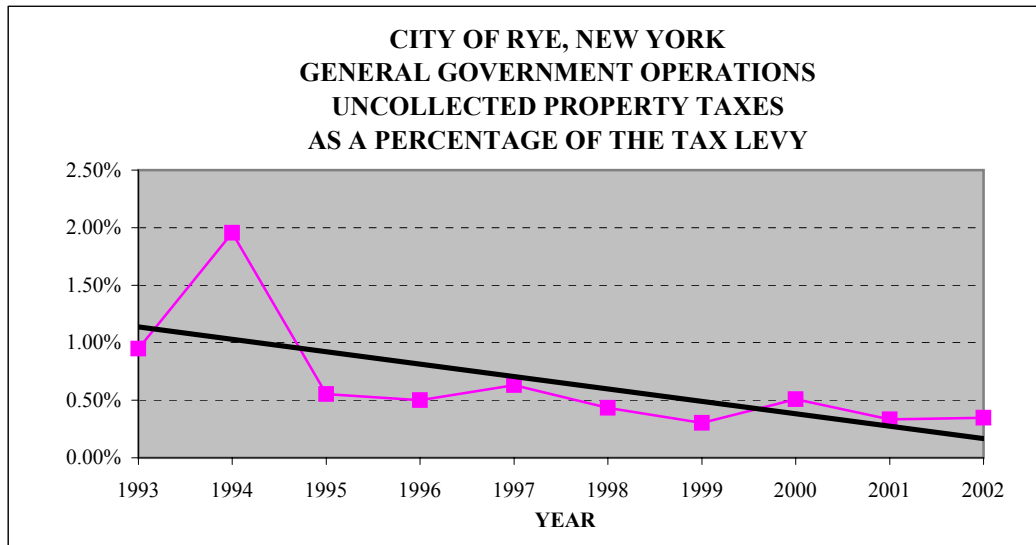
**City of Rye, New York
2002 Financial Trends Report**

General Government Operations

Uncollected Property Taxes to the Property Tax Levy

Formula: Uncollected Property Taxes/Property Tax Levy

Warning Trend: Increasing trend line



Year	Uncollected Property Taxes	Property Tax Levy	Percent of Levy
1993	\$85,941	\$9,053,527	0.95%
1994	\$181,831	\$9,306,345	1.95%
1995	\$51,805	\$9,354,994	0.55%
1996	\$47,232	\$9,448,778	0.50%
1997	\$59,963	\$9,510,351	0.63%
1998	\$41,619	\$9,590,213	0.43%
1999	\$29,130	\$9,593,156	0.30%
2000	\$50,963	\$10,028,994	0.51%
2001	\$34,380	\$10,323,122	0.33%
2002	\$40,823	\$11,762,076	0.35%

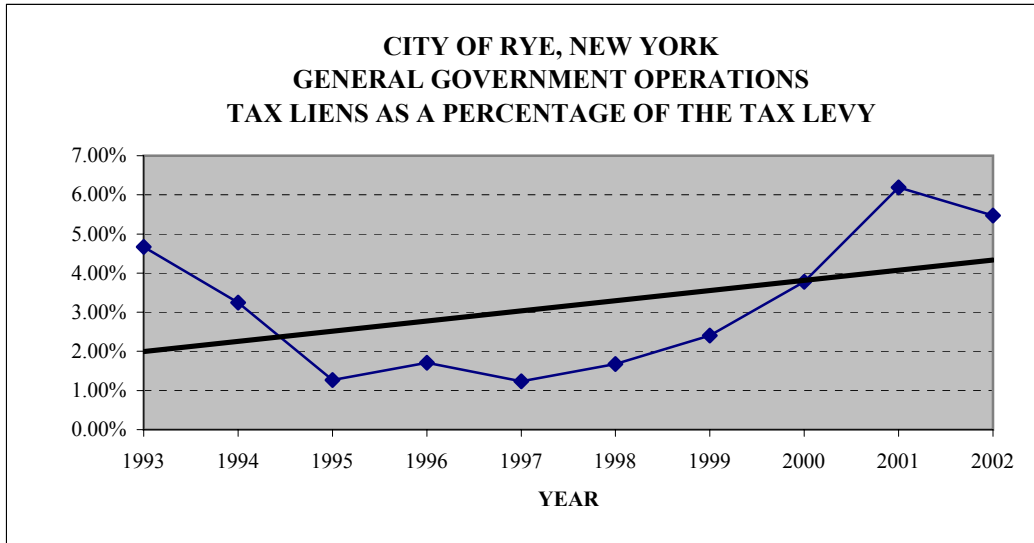
Rising uncollected property taxes can place a strain on the resources of the City and its ability to administer programs and services. Such increases may indicate an inability or unwillingness on the part of property owners to pay property taxes due to personal financial difficulties, or a negative economic trend in our community. It is therefore important that we are vigilant in noting any sign of an upward trend. With the exception of 1994, our collection rate has been in excess of 99%, an excellent record when you consider that we must guarantee the taxes levied against properties within our city for Westchester County, the Rye City School District and the Rye Neck Union Free School District.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Tax Liens to the Property Tax Levy**

Formula: Tax Liens/Property Tax Levy

Warning Trend: Increasing trend line

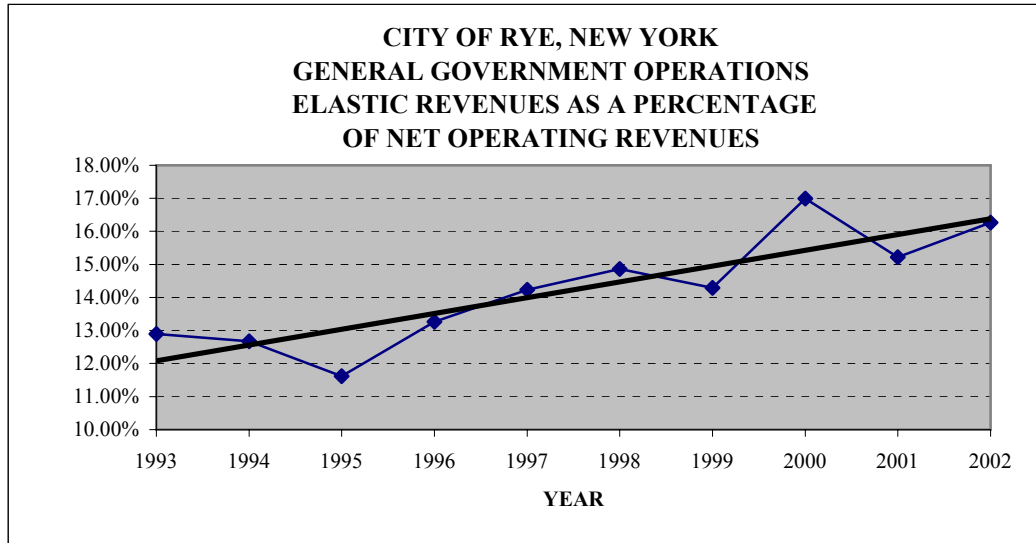


Year	Property Tax Liens	Property Tax Levy	Percent of Levy
1993	\$422,377	\$9,053,527	4.67%
1994	\$301,895	\$9,306,345	3.24%
1995	\$118,303	\$9,354,994	1.26%
1996	\$161,570	\$9,448,778	1.71%
1997	\$117,129	\$9,510,351	1.23%
1998	\$161,105	\$9,590,213	1.68%
1999	\$230,906	\$9,593,156	2.41%
2000	\$379,136	\$10,028,994	3.78%
2001	\$638,842	\$10,323,122	6.19%
2002	\$643,455	\$11,762,076	5.47%

Like uncollected property taxes, an increase in the amount of tax liens can place a financial strain on our resources, and may indicate an inability or unwillingness on the part of our property owners to pay property taxes. There has been a slow and steady increasing trend, something we must address with a more aggressive collection process. However, it should be noted that the ratio is below 6%, and can be dramatically reduced through the annual lien/foreclosure process.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Elastic Operating Revenues to Net Operating Revenues**
Formula: Elastic Operating Revenues/Net Operating Revenues
Warning Trend: Decreasing trend line



Year	Elastic Revenues	Net Operating Revenues	Percent to Gross
1993	\$1,765,093	\$13,691,279	12.89%
1994	\$1,866,776	\$14,727,709	12.68%
1995	\$1,724,605	\$14,848,353	11.61%
1996	\$2,041,982	\$15,396,596	13.26%
1997	\$2,218,379	\$15,583,753	14.24%
1998	\$2,383,626	\$16,037,984	14.86%
1999	\$2,400,258	\$16,795,641	14.29%
2000	\$2,994,641	\$17,625,639	16.99%
2001	\$2,689,527	\$17,666,551	15.22%
2002	\$3,173,420	\$19,509,392	16.27%

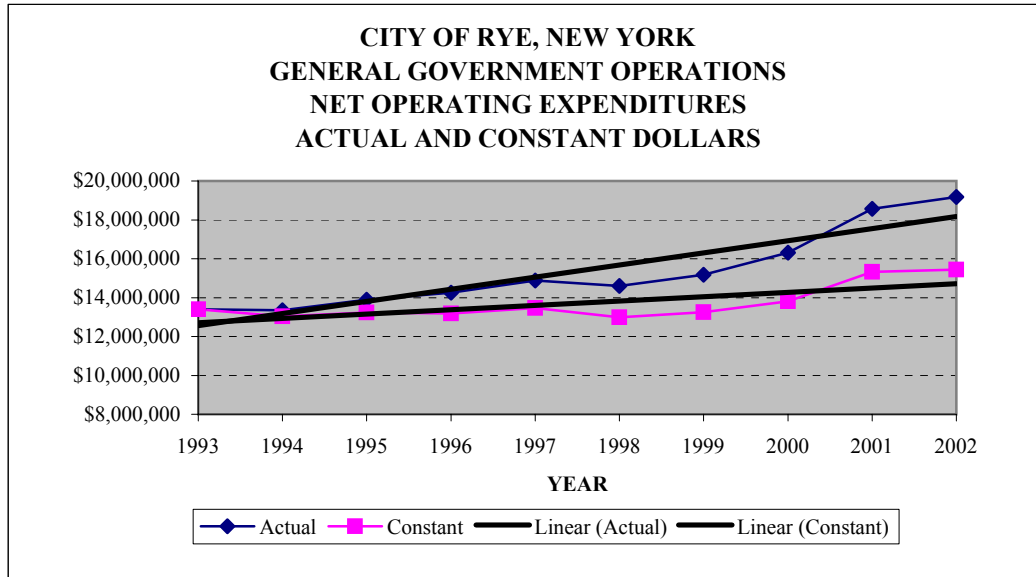
This indicator measures how dependent our revenue stream is on elastic revenues. Elastic revenues are defined as those revenues which may be affected by demographic or economic changes in our community, and include mortgage taxes, sales taxes, and utility gross receipts taxes. Elastic revenues will rise as the economic base expands or inflation rises. While the upward trend is positive in some respects, it means we are becoming more dependent upon elastic revenues. A downturn in the economy or a return of inflation could send it into a downward trend, requiring us to consider increases in other revenues such as taxes and user fees.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Operating Expenditures**

Formula: Net Operating Expenditures

Warning Trend: Increasing trend line



Year	CPI-U	Expenditures Actual	Expenditures Constant
1993	154.5	\$13,407,201	\$13,407,201
1994	158.2	\$13,354,781	\$13,042,438
1995	162.2	\$13,896,199	\$13,236,515
1996	166.9	\$14,252,167	\$13,193,288
1997	170.8	\$14,878,737	\$13,458,811
1998	173.6	\$14,601,234	\$12,994,762
1999	177.0	\$15,172,517	\$13,243,807
2000	182.5	\$16,312,552	\$13,809,804
2001	187.1	\$18,565,254	\$15,330,474
2002	191.9	\$19,176,407	\$15,439,056

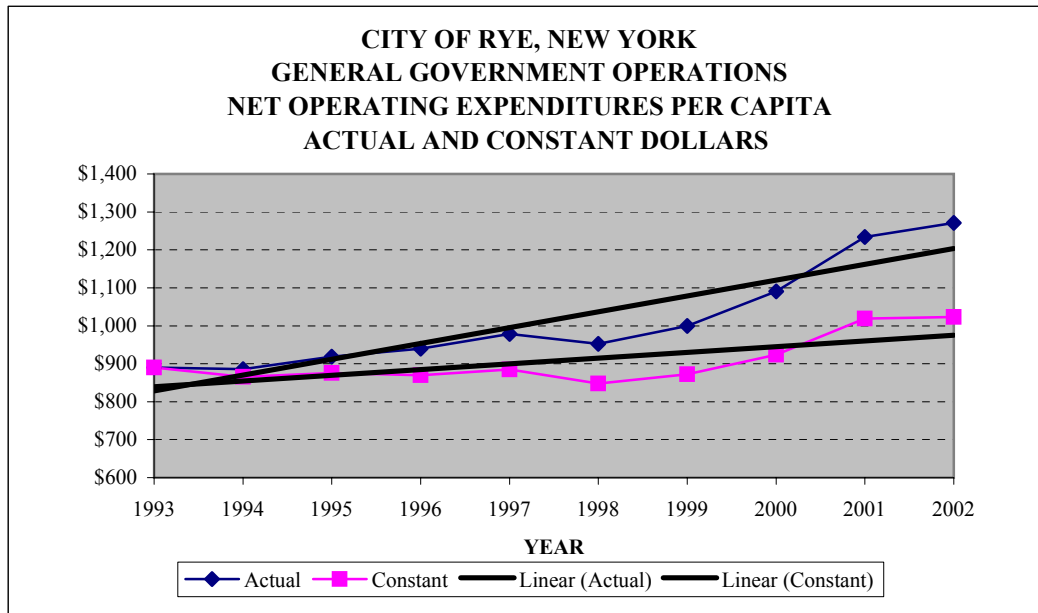
The purpose of this indicator is to show the trend of net operating expenditures and the effects of inflation on that trend. Our trend shows an increase in actual net operating expenditures, but when the effects of inflation are accounted for, the trend is relatively flat. This has to be considered in light of the trend of our operating revenues as adjusted for inflation, the setting of fees and charges, and the level services provided by the City.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Operating Expenditures Per Capita**

Formula: Net Operating Expenditures/Population

Warning Trend: Increasing trend line



Year	CPI-U	Population	Expenditures Actual	Per Capita Actual	Per Capita Constant
1993	154.5	15,060	\$13,407,201	\$890	\$890
1994	158.2	15,071	\$13,354,781	\$886	\$865
1995	162.2	15,122	\$13,896,199	\$919	\$875
1996	166.9	15,164	\$14,252,167	\$940	\$870
1997	170.8	15,208	\$14,878,737	\$978	\$885
1998	173.6	15,326	\$14,601,234	\$953	\$848
1999	177.0	15,176	\$15,172,517	\$1,000	\$873
2000	182.5	14,955	\$16,312,552	\$1,091	\$923
2001	187.1	15,041	\$18,565,254	\$1,234	\$1,019
2002	191.9	15,092	\$19,176,407	\$1,271	\$1,023

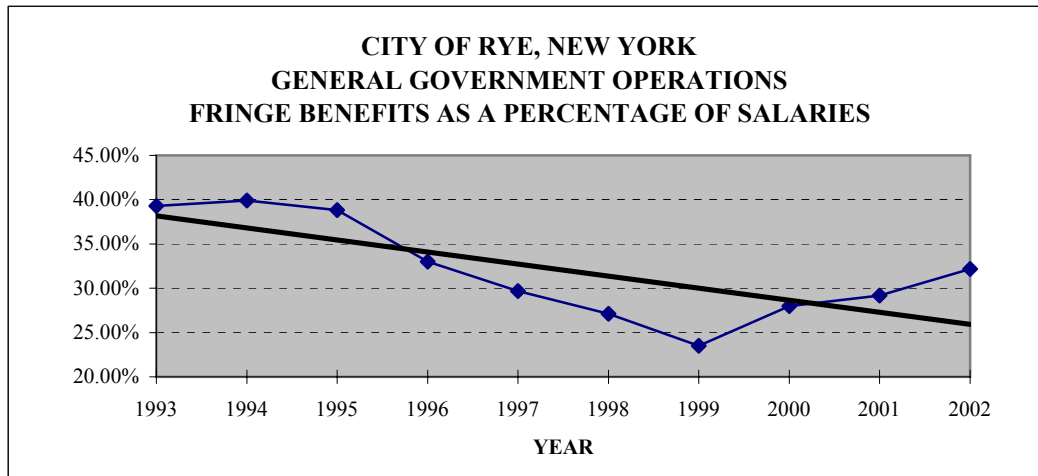
Net operating expenditures per capita indicate how much we are spending per person in terms of our City's population. A decrease in this indicator is a positive trend, indicating the cost-effective delivery of services, provided that it is not adversely affecting service levels to the point of community dissatisfaction. The trend appears to be moderately rising both in terms of current and constant dollars, and should be watched closely in context with other trend indicators.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Fringe Benefits to Salaries and Wages**

Formula: Fringe Benefits/Salaries and Wages

Warning Trend: Increasing trend line



Year	Salaries and Wages	Fringe Benefits	Percent
1993	\$6,488,231	\$2,550,367	39.31%
1994	\$6,559,665	\$2,616,773	39.89%
1995	\$6,851,656	\$2,660,784	38.83%
1996	\$7,292,070	\$2,405,584	32.99%
1997	\$7,722,645	\$2,292,852	29.69%
1998	\$7,734,443	\$2,097,626	27.12%
1999	\$8,142,398	\$1,912,941	23.49%
2000	\$8,632,550	\$2,414,451	27.97%
2001	\$9,635,292	\$2,812,297	29.19%
2002	\$9,792,241	\$3,150,592	32.17%

Salaries and employee benefits account for approximately 61% of our total general government net operating expenditures. Salaries are defined as compensation paid to full-time, part-time and seasonal employees. Employee benefits include the employer share of social security and Medicare (FICA), retirement, health insurance (including vision and dental), disability insurance and worker's compensation insurance. An increasing percentage of fringe benefits to salaries is a negative trend and may reveal increases in total compensation that may not otherwise be clearly seen in negotiated labor agreements. Our trend is a positive one, with fringe benefits decreasing. However, this trend may be coming to an end, as we are now beginning to see substantial increases in our insurance and retirement costs.

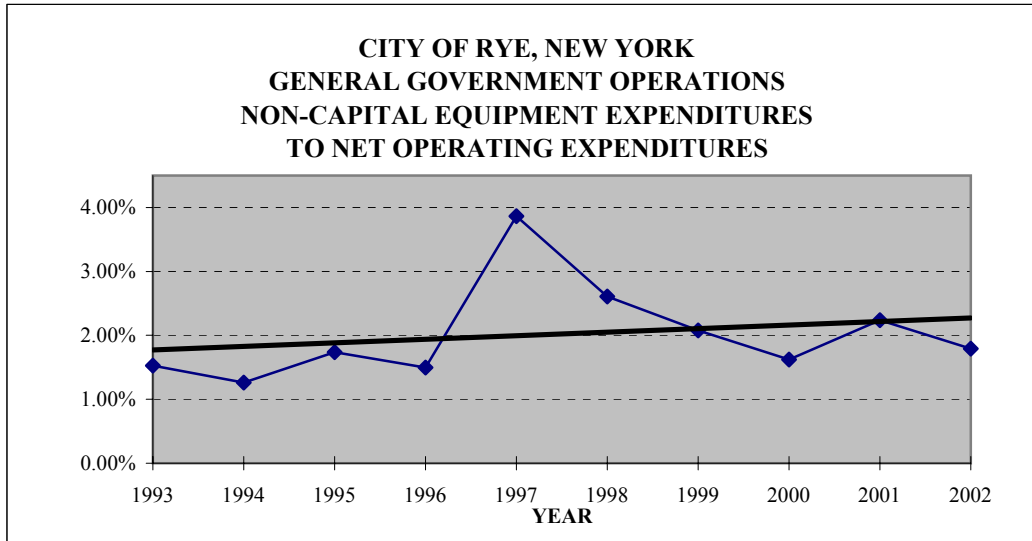
**City of Rye, New York
2002 Financial Trends Report**

General Government Operations

Non-capital Equipment Expenditures to Net Operating Expenditures

Formula: Non-capital Equipment Expenditures/Net Operating Expenditures

Warning Trend: Decreasing trend line

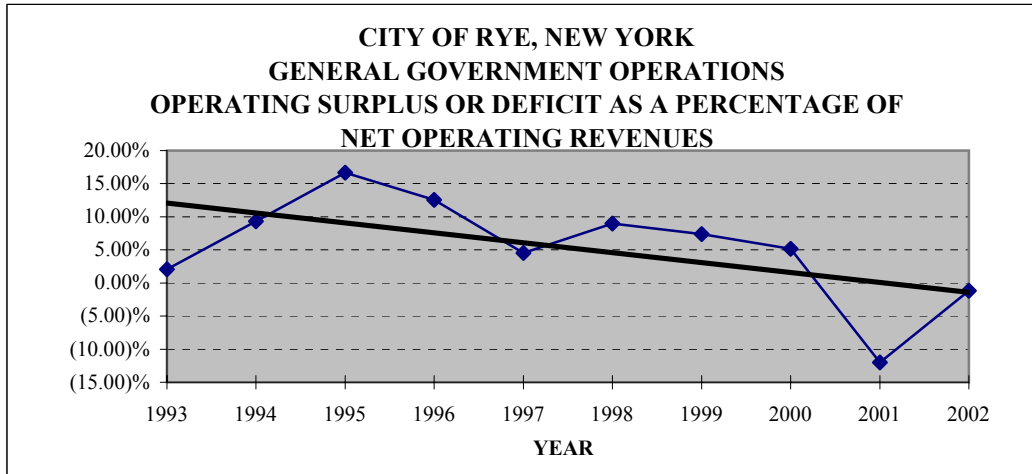


Year	Equipment Costs	Net Operating Expenditures	Percent
1993	\$204,371	\$13,407,201	1.52%
1994	\$168,134	\$13,354,781	1.26%
1995	\$241,407	\$13,896,199	1.74%
1996	\$213,626	\$14,252,167	1.50%
1997	\$574,834	\$14,878,737	3.86%
1998	\$380,640	\$14,601,234	2.61%
1999	\$315,291	\$15,172,517	2.08%
2000	\$264,501	\$16,312,552	1.62%
2001	\$415,429	\$18,565,254	2.24%
2002	\$343,549	\$19,176,407	1.79%

For this indicator, equipment is furniture and fixtures, office equipment, and other minor pieces of equipment with a value less than \$15,000 purchased with funds provided in the operating budgets. This indicator measures our commitment to replace aging equipment that may be costly to operate and maintain or technologically obsolete. Our trend shows a slow and steady increase.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Operating Surplus or Deficit to Net Operating Revenues**
Formula: Operating Surplus (Deficit)/Net Operating Revenues
Warning Trend: Trend line remaining below zero percent



Year	Operating Surplus (Deficit)	Net Operating Revenues	Percent
1993	\$284,078	\$13,691,279	2.07%
1994	\$1,372,928	\$14,727,709	9.32%
1995	\$2,477,593	\$14,848,353	16.69%
1996	\$1,930,572	\$15,396,596	12.54%
1997	\$705,016	\$15,583,753	4.52%
1998	\$1,436,750	\$16,037,984	8.96%
1999	\$1,239,944	\$16,795,641	7.38%
2000	\$906,337	\$17,625,639	5.14%
2001	(\$2,123,032)	\$17,666,551	(12.02)%
2002	(\$228,278)	\$19,509,392	(1.17)%

An operating surplus occurs when revenues exceed expenditures, and an operating deficit occurs when expenditures exceed revenues. It is a positive result when an operating surplus occurs. An operating deficit is not necessarily a negative result, *provided that the operating deficit was planned*. Operating deficits are often planned when fund balance exists that is considered excessive and the excess amount is used to offset the cost of some programs. The overall trend has been downward with the trend line dipping below zero, *as planned*, in the past two years. While we are more closely matching our revenues to expenditure requirements, the amount available to replenish fund balance is steadily diminishing.

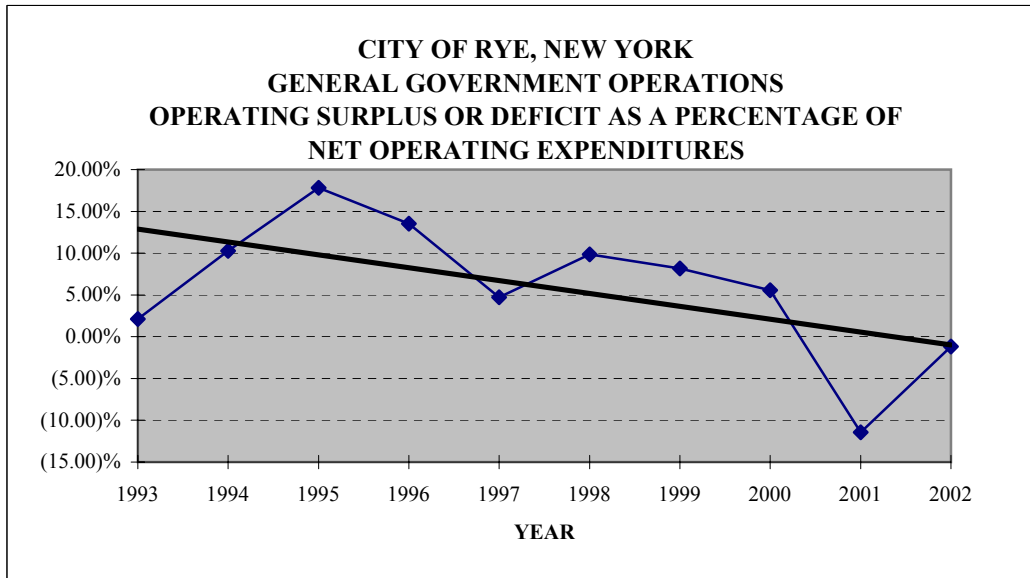
**City of Rye, New York
2002 Financial Trends Report**

General Government Operations

Operating Surplus or Deficit to Net Operating Expenditures

Formula: Operating Surplus (Deficit)/Net Operating Expenditures

Warning Trend: Trend line remaining below zero percent



Year	Operating Surplus (Deficit)	Net Operating Expenditures	Percent
1993	\$284,078	\$13,407,201	2.12%
1994	\$1,372,928	\$13,354,781	10.28%
1995	\$2,477,593	\$13,896,199	17.83%
1996	\$1,930,572	\$14,252,167	13.55%
1997	\$705,016	\$14,878,737	4.74%
1998	\$1,436,750	\$14,601,234	9.84%
1999	\$1,239,944	\$15,172,517	8.17%
2000	\$906,337	\$16,312,552	5.56%
2001	(\$2,123,032)	\$18,565,254	(11.44)%
2002	(\$228,278)	\$19,176,407	(1.19)%

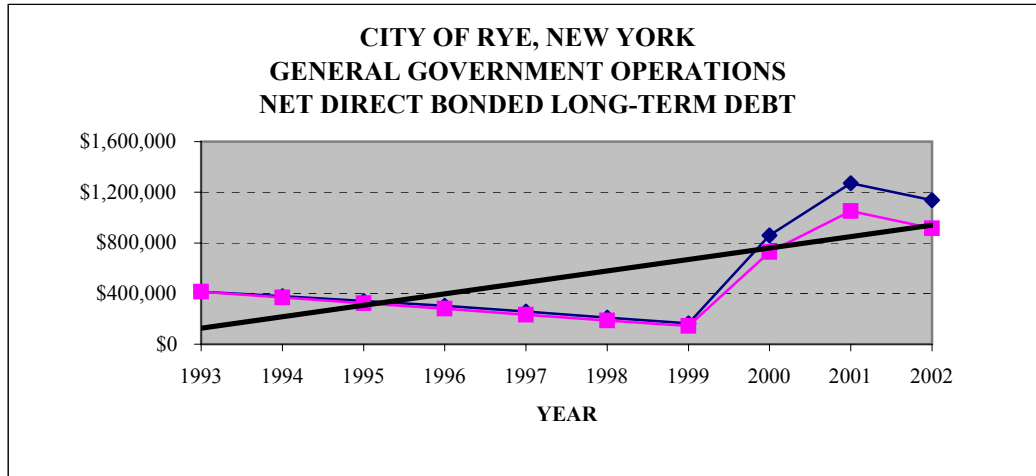
This indicator is another measure of our ability to meet annual expenditures with annual revenues, establishing the relationship between an operating surplus or deficit and net operating expenditures. Some prefer to use this indicator on the theory that expenditures are a better measure than revenues of a community's demands and requirements. Again, the downward trend should be noted when considering the level of fund balance and how much may be used to fund programs and services.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Direct Bonded Long-Term Debt**

Formula: Net Direct Bonded Long-Term Debt

Warning Trend: Increasing trend line



Year	CPI-U	Net Direct Long-Term Debt Actual	Net Direct Long-Term Debt Constant
1993	154.5	\$414,348	\$414,348
1994	158.2	\$378,158	\$369,314
1995	162.2	\$340,725	\$324,550
1996	166.9	\$302,183	\$279,732
1997	170.8	\$256,573	\$232,087
1998	173.6	\$210,824	\$187,629
1999	177.0	\$165,525	\$144,484
2000	182.5	\$859,256	\$727,425
2001	187.1	\$1,272,550	\$1,050,823
2002	191.9	\$1,136,235	\$914,791

Net direct bonded long-term debt is defined as general obligation debt (bonds) which is not otherwise accounted for in a proprietary fund (Boat Basin Fund, Golf Club Fund, Risk Retention Fund, and Building and Vehicle Maintenance Fund). We measure this trend in actual and constant dollars. Increasing outstanding debt impairs our ability to borrow in the future and provides less flexibility in the programming of budgeted funds. An increase in this indicator may be viewed as a negative one, but must take into account the overall debt outstanding and the purposes served by that debt. Debt has risen since 1999, but our overall debt is still low.

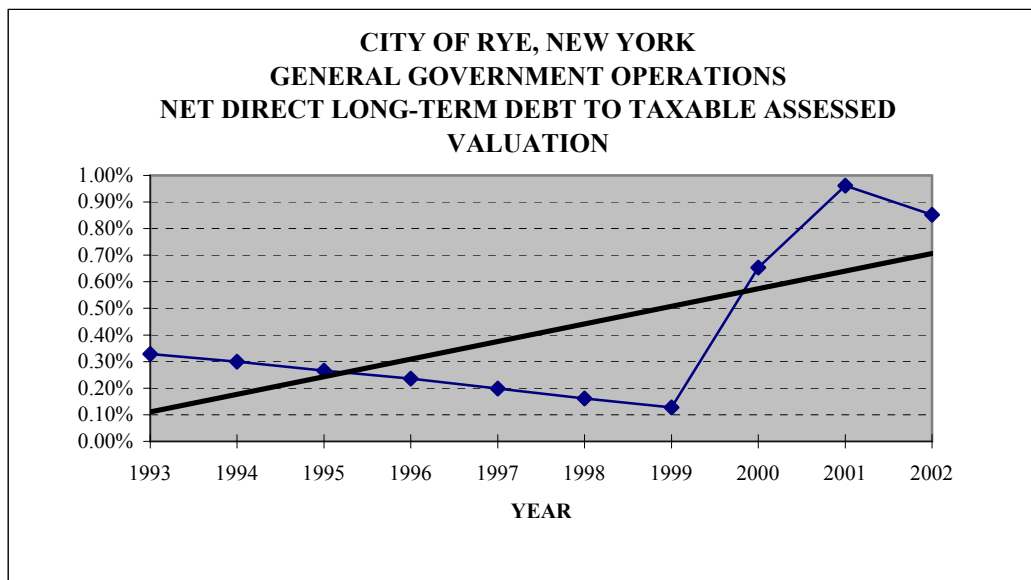
**City of Rye, New York
2002 Financial Trends Report**

General Government Operations

Net Direct Bonded Long-Term Debt to Taxable Assessed Valuation

Formula: Net Direct Bonded Long-Term Debt/Taxable Assessed Valuation

Warning Trend: Increasing trend line



Year	Net Direct Long-Term Debt	Taxable Assessed Valuation	Percent
1993	\$414,348	\$126,267,448	0.33%
1994	\$378,158	\$126,123,883	0.30%
1995	\$340,725	\$128,197,021	0.27%
1996	\$302,183	\$128,172,616	0.24%
1997	\$256,573	\$129,240,016	0.20%
1998	\$210,824	\$130,261,141	0.16%
1999	\$165,525	\$130,271,093	0.13%
2000	\$859,256	\$131,559,102	0.65%
2001	\$1,272,550	\$132,432,299	0.96%
2002	\$1,136,235	\$133,384,128	0.85%

This indicator puts into perspective our outstanding long-term debt in relationship to our taxable assessed valuation, allowing us to determine if we have sufficient taxing power to afford current and future debt. While our trend shows an increase, we retain an extremely low percentage (less than 1 percent) of outstanding debt in comparison to our taxable assessed valuation.

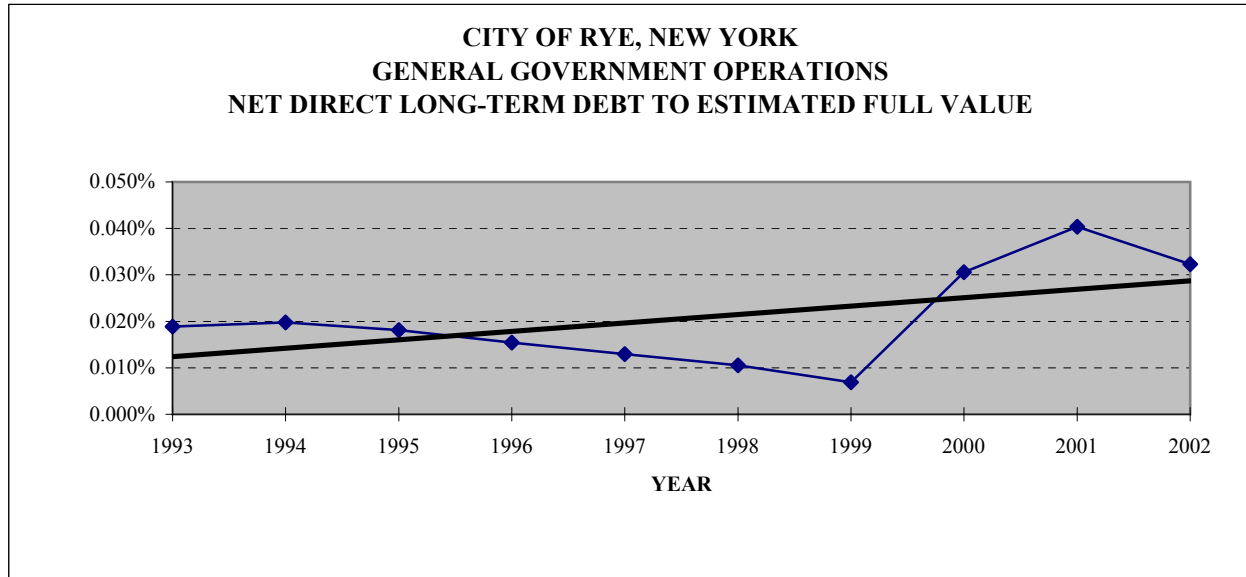
**City of Rye, New York
2002 Financial Trends Report**

General Government Operations

Net Direct Bonded Long-Term Debt to Estimated Full Valuation

Formula: Net Direct Bonded Long-Term Debt/Estimated Full Valuation

Warning Trend: Increasing trend line



Year	Net Direct Long-Term Debt	Taxable Assessed Valuation	State Equalization Rate	Estimated Full Value	Percent
1993	\$414,348	\$126,267,448	5.75%	\$2,195,955,617	0.019%
1994	\$378,158	\$126,123,883	6.60%	\$1,910,967,924	0.020%
1995	\$340,725	\$128,197,021	6.82%	\$1,879,721,716	0.018%
1996	\$302,183	\$128,172,616	6.53%	\$1,962,827,198	0.015%
1997	\$256,573	\$129,240,016	6.53%	\$1,979,173,292	0.013%
1998	\$210,824	\$130,261,141	6.53%	\$1,994,810,735	0.011%
1999	\$165,525	\$130,271,093	5.42%	\$2,403,525,701	0.007%
2000	\$859,256	\$131,559,102	4.68%	\$2,811,091,923	0.031%
2001	\$1,272,550	\$132,432,299	4.20%	\$3,153,149,976	0.040%
2002	\$1,136,235	\$133,384,128	3.79%	\$3,519,370,132	0.032%

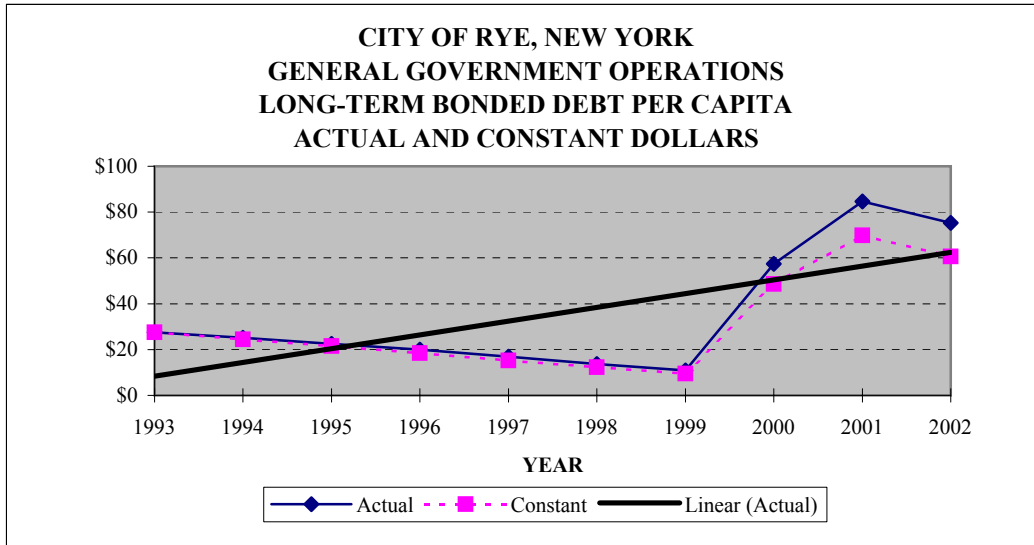
Estimated full value is calculated by taking the taxable assessed value and dividing it by our State equalization rate in an attempt to reach a market value estimate. This indicator is similar to our net long-term debt to taxable assessed value. At less than one-tenth of one percent, our ratio is extremely favorable.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Direct Bonded Long-Term Debt Per Capita**

Formula: Net Direct Bonded Long-Term Debt/Population

Warning Trend: Increasing trend line



Year	CPI-U	Population	Net Direct Long-Term Debt	Constant Dollars	Debt Per Capita Actual	Debt Per Capita Constant
1993	154.5	15,060	\$414,348	\$414,348	\$28	\$28
1994	158.2	15,071	\$378,158	\$369,314	\$25	\$25
1995	162.2	15,122	\$340,725	\$324,550	\$23	\$21
1996	166.9	15,164	\$302,183	\$279,732	\$20	\$18
1997	170.8	15,208	\$256,573	\$232,087	\$17	\$15
1998	173.6	15,326	\$210,824	\$187,629	\$14	\$12
1999	177.0	15,176	\$165,525	\$144,484	\$11	\$10
2000	182.5	14,955	\$859,256	\$727,425	\$57	\$49
2001	187.1	15,041	\$1,272,550	\$1,050,823	\$85	\$70
2002	191.9	15,092	\$1,136,235	\$914,791	\$75	\$61

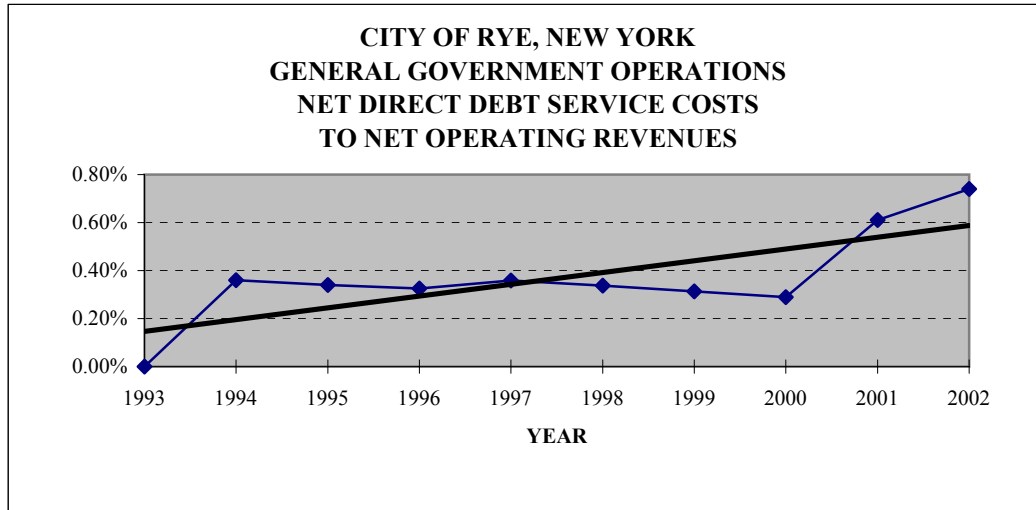
Long-term debt per capita is an indicator used to measure the burden of debt per person. Theoretically, as debt increases and population remains the same or decreases, the amount of debt per person becomes an increasing burden and the ability to repay such debt may someday be in jeopardy. Our ratio is still favorable at \$75 per capita.

City of Rye, New York
2002 Financial Trends Report

General Government Operations
Net Direct Debt Service to Net Operating Revenues

Formula: Net Direct Debt Service/Net Operating Revenues

Warning Trend: Increasing trend line



Year	Net Direct Debt Service	Net Operating Revenues	Percent
1993	\$0	\$13,691,279	0.00%
1994	\$53,042	\$14,727,709	0.36%
1995	\$50,493	\$14,848,353	0.34%
1996	\$50,161	\$15,396,596	0.33%
1997	\$55,792	\$15,583,753	0.36%
1998	\$54,164	\$16,037,984	0.34%
1999	\$52,536	\$16,795,641	0.31%
2000	\$50,908	\$17,625,639	0.29%
2001	\$107,930	\$17,666,551	0.61%
2002	\$144,250	\$19,509,392	0.74%

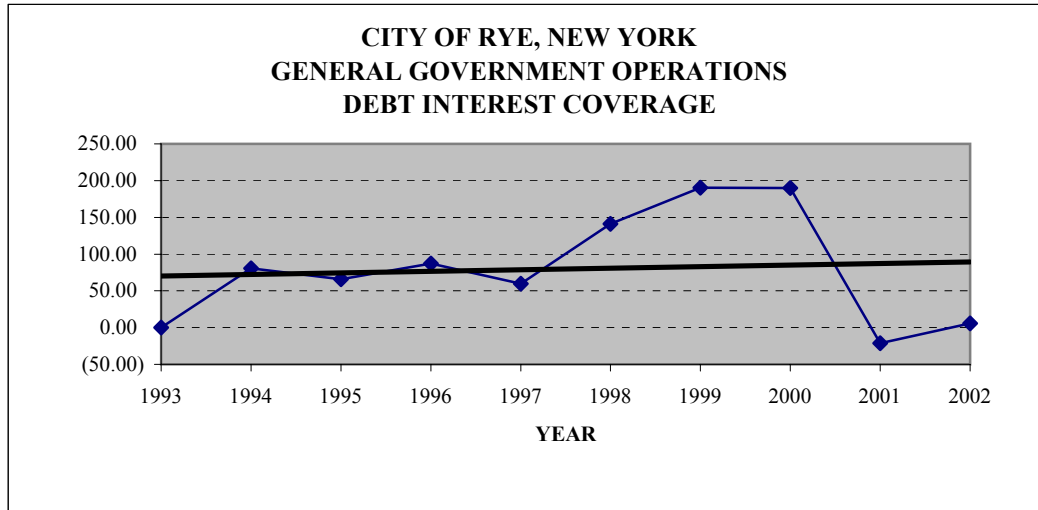
Debt service is defined as the annual principal and interest payments due on long-term debt. The debt service to net operating revenue indicator measures the ability of our revenue stream to meet annual debt payments. The International City/County Management Association (ICMA) considers a ratio of 10% to be acceptable. While our trend is rising our ratio at the end of 2002 is below 1%.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Debt Interest Coverage**

Formula: Net Revenues/Debt Interest

Warning Trend: Decreasing trend line



Year	Net Revenues	Debt Interest	Debt Interest Coverage
1993	\$284,078	\$0	0.00
1994	\$1,372,928	\$17,042	80.56
1995	\$952,154	\$14,493	65.70
1996	\$1,144,429	\$13,161	86.96
1997	\$705,016	\$11,792	59.79
1998	\$1,436,750	\$10,164	141.36
1999	\$1,623,124	\$8,536	190.15
2000	\$1,313,087	\$6,908	190.08
2001	(\$898,703)	\$42,649	(21.07)
2002	\$332,985	\$59,109	5.63

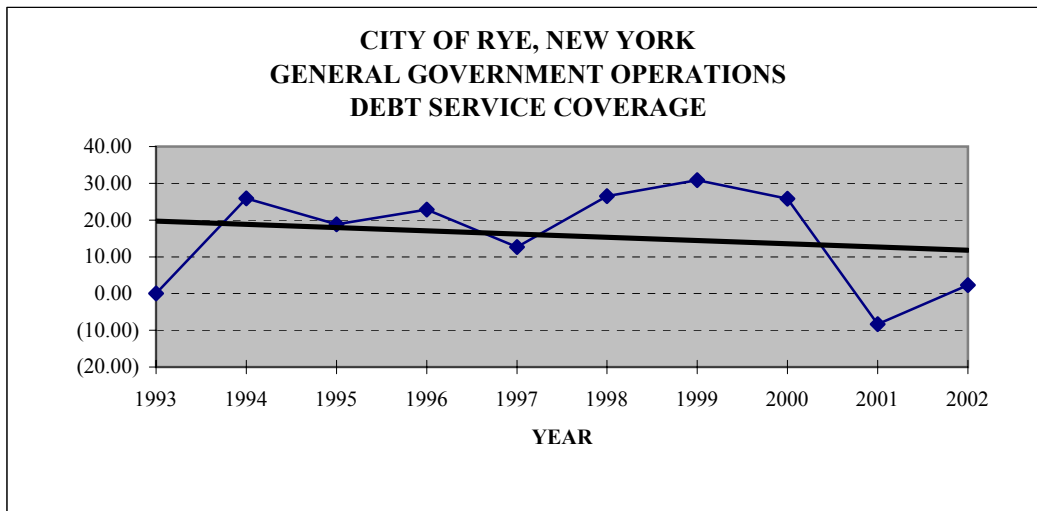
Debt interest coverage is a ratio used to evaluate the ability of a municipality to cover its debt interest costs with net operating revenues. Since this is an x:1 ratio, an increasing trend is a positive trend. Our debt interest coverage shows this positive increasing trend. The planned operating deficit of 2001 resulted in the only negative debt interest coverage in the ten-year trend analysis.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Debt Service Coverage**

Formula: Net Revenues/Debt Principal + Interest

Warning Trend: Decreasing trend line



Year	Net Revenues	Debt Service	Debt Service Coverage
1993	\$284,078	\$0	N/A
1994	\$1,372,928	\$53,042	25.88
1995	\$952,154	\$50,493	18.86
1996	\$1,144,429	\$50,161	22.82
1997	\$705,016	\$55,792	12.64
1998	\$1,436,750	\$54,164	26.53
1999	\$1,623,124	\$52,536	30.90
2000	\$1,313,087	\$50,908	25.79
2001	(\$898,703)	\$107,930	(8.33)
2002	\$332,985	\$144,250	2.31

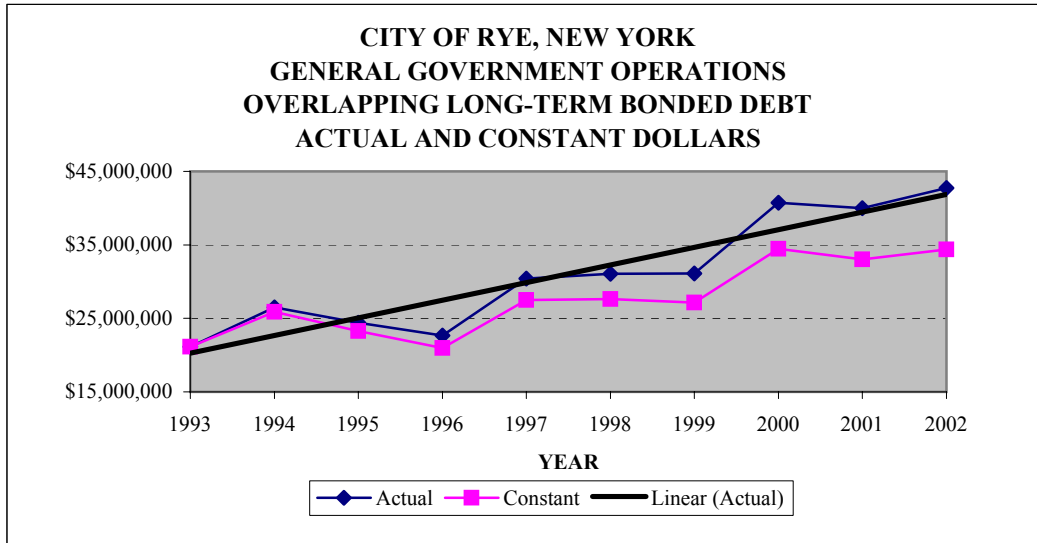
Similar to debt interest coverage, debt service coverage is a ratio used to evaluate the ability of a municipality to cover its debt service costs (annual principal and interest) with net operating revenues. Since this is an x:1 ratio, an increasing trend is a positive trend. Our trend is positive, but as noted in the debt interest coverage indicator, the planned operating deficit of 2001 resulted in the only negative debt service coverage in the ten-year trend period.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Overlapping Bonded Debt**

Formula: Long-Term Overlapping Bonded Debt

Warning Trend: Increasing trend line



Year	CPI-U	Overlapping Debt Actual	Overlapping Debt Constant
1993	154.5	\$21,144,232	\$21,144,232
1994	158.2	\$26,510,673	\$25,890,638
1995	162.2	\$24,415,334	\$23,256,283
1996	166.9	\$22,644,696	\$20,962,286
1997	170.8	\$30,406,003	\$27,504,259
1998	173.6	\$31,053,089	\$27,636,534
1999	177.0	\$31,090,224	\$27,138,077
2000	182.5	\$40,713,463	\$34,467,014
2001	187.1	\$39,976,242	\$33,010,847
2002	191.9	\$42,714,645	\$34,389,852

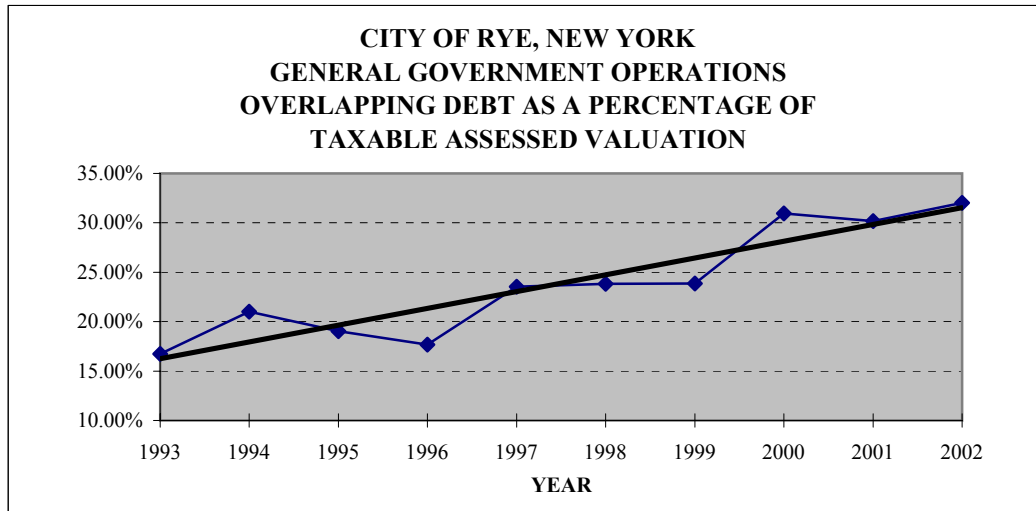
Overlapping long-term debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of a community. Westchester County and the school districts in our community incur debt for their own purposes, and part of their tax levies on our property owners are used to pay down that debt. Overlapping debt can place an economic burden on our taxpayers, even if the City's debt level is low. Measured in actual and constant dollars, the trend indicates that overlapping debt is increasing. This should be of concern to all taxing jurisdictions, including the City, when planning future debt issues.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Overlapping Bonded Debt to Taxable Assessed Valuation**

Formula: Long-Term Overlapping Bonded Debt/Taxable Assessed Valuation

Warning Trend: Increasing trend line



Year	Overlapping Bonded Debt	Taxable Assessed Valuation	Percent
1993	\$21,144,232	\$126,267,448	16.75%
1994	\$26,510,673	\$126,123,883	21.02%
1995	\$24,415,334	\$128,197,021	19.05%
1996	\$22,644,696	\$128,172,616	17.67%
1997	\$30,406,003	\$129,240,016	23.53%
1998	\$31,053,089	\$130,261,141	23.84%
1999	\$31,090,224	\$130,271,093	23.87%
2000	\$40,713,463	\$131,559,102	30.95%
2001	\$39,976,242	\$132,432,299	30.19%
2002	\$42,714,645	\$133,384,128	32.02%

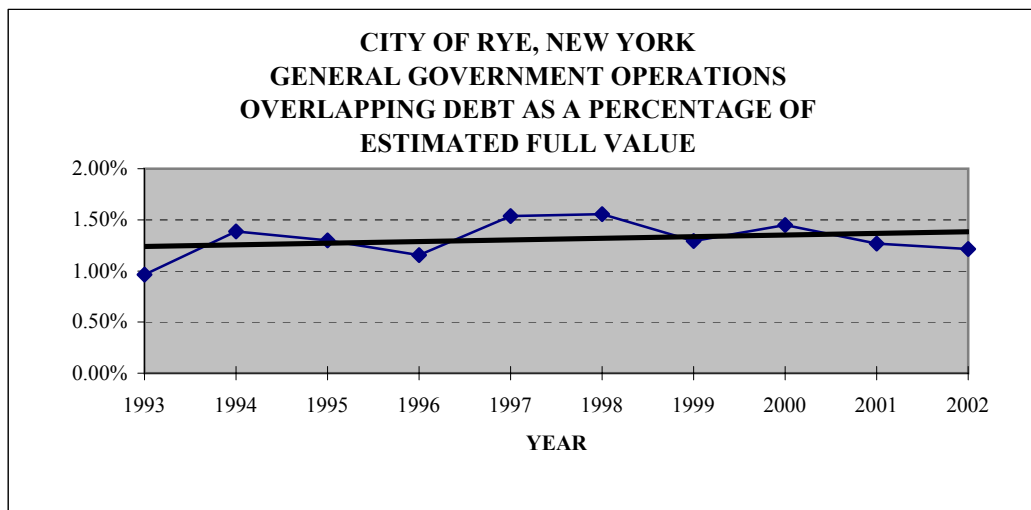
Overlapping long-term debt as a percentage of taxable assessed valuation measures the ability of other governments to tax our property owners for the repayment of outstanding debt. The ratio has slowly increased from 17% to over 32%. While this is not a cause for immediate concern, a continuing increase in the trend may signal a need for the various local governments (county, school districts and city) to coordinate their efforts in terms of long-term financing initiatives.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Overlapping Bonded Debt to Estimated Full Valuation**

Formula: Long-Term Overlapping Bonded Debt/Estimated Full Valuation

Warning Trend: Increasing trend line



Year	Overlapping Bonded Debt	Taxable Assessed Valuation	State Equalization Rate	Estimated Full Value	Percent Actual
1993	\$21,144,232	\$126,267,448	5.75%	\$2,195,955,617	0.96%
1994	\$26,510,673	\$126,123,883	6.60%	\$1,910,967,924	1.39%
1995	\$24,415,334	\$128,197,021	6.82%	\$1,879,721,716	1.30%
1996	\$22,644,696	\$128,172,616	6.53%	\$1,962,827,198	1.15%
1997	\$30,406,003	\$129,240,016	6.53%	\$1,979,173,292	1.54%
1998	\$31,053,089	\$130,261,141	6.53%	\$1,994,810,735	1.56%
1999	\$31,090,224	\$130,271,093	5.42%	\$2,403,525,701	1.29%
2000	\$40,713,463	\$131,559,102	4.68%	\$2,811,091,923	1.45%
2001	\$39,976,242	\$132,432,299	4.20%	\$3,153,149,976	1.27%
2002	\$42,714,645	\$133,384,128	3.79%	\$3,519,370,132	1.21%

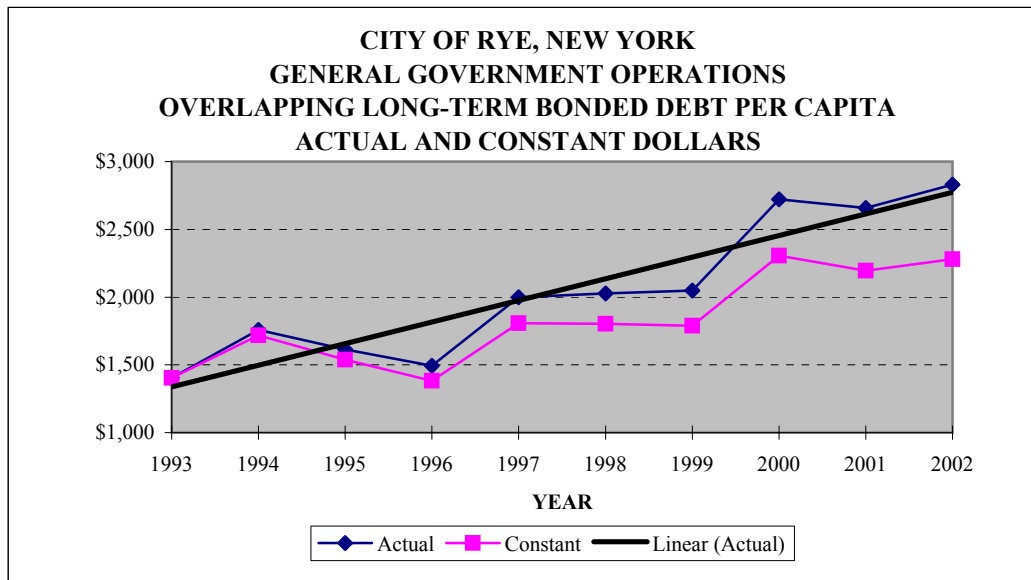
Overlapping long-term debt as a percentage of estimated full value is another indicator of debt burden. Our trend has remained relatively flat with a favorable ratio of only 1.21% in 2002.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Net Direct Bonded Overlapping Debt Per Capita**

Formula: Net Direct Bonded Overlapping Debt/Population

Warning Trend: Increasing trend line



Year	CPI-U	Population	Net Direct Long-Term Debt	Constant Dollars	Debt Per Capita Actual	Debt Per Capita Constant
1993	154.5	15,060	\$21,144,232	\$21,144,232	\$1,404	\$1,404
1994	158.2	15,071	\$26,510,673	\$25,890,638	\$1,759	\$1,718
1995	162.2	15,122	\$24,415,334	\$23,256,283	\$1,615	\$1,538
1996	166.9	15,164	\$22,644,696	\$20,962,286	\$1,493	\$1,382
1997	170.8	15,208	\$30,406,003	\$27,504,259	\$1,999	\$1,809
1998	173.6	15,326	\$31,053,089	\$27,636,534	\$2,026	\$1,803
1999	177.0	15,176	\$31,090,224	\$27,138,077	\$2,049	\$1,788
2000	182.5	14,955	\$40,713,463	\$34,467,014	\$2,722	\$2,305
2001	187.1	15,041	\$39,976,242	\$33,010,847	\$2,658	\$2,195
2002	191.9	15,092	\$42,714,645	\$34,389,852	\$2,830	\$2,279

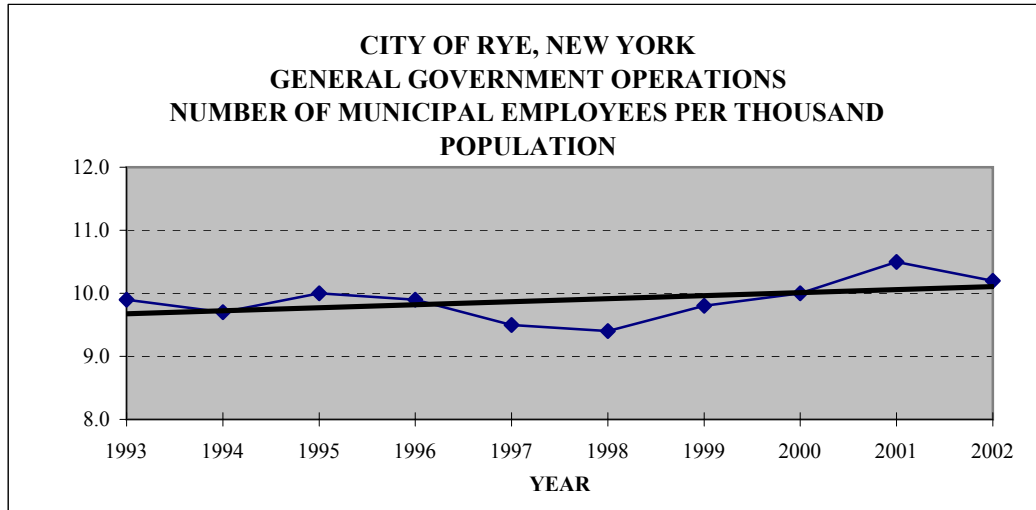
Overlapping long-term debt per capita is another indicator of debt burden, this time on a "per person" basis. The trend is an increasing one, similar to our other debt burden indicators and trends.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Municipal Employees Per Capita**

Formula: Number of Municipal Employees/Population

Warning Trend: Increasing trend line



Year	Municipal Employees	Population	Employees Per Thousand Population
1993	149.5	15,060	9.9
1994	146.0	15,071	9.7
1995	150.5	15,122	10.0
1996	150.5	15,164	9.9
1997	144.5	15,208	9.5
1998	143.5	15,326	9.4
1999	149.0	15,176	9.8
2000	150.0	14,955	10.0
2001	157.5	15,041	10.5
2002	153.5	15,092	10.2

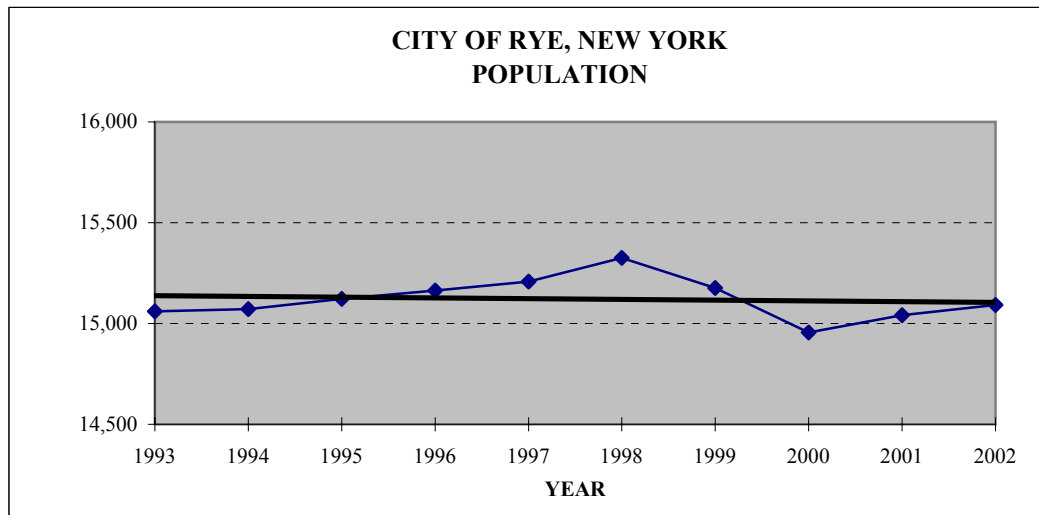
For purposes of this indicator, municipal employees are defined as full time employees actually in service at year end as recorded in our Annual Budget document. An increasing trend in the number of full time employees may foretell expenditures rising faster than revenues, a government that is becoming more labor intensive, and/or a reduction in employee productivity. Our ratio shows a stable trend working within a very narrow range of approximately 10 employees per thousand population.

**City of Rye, New York
2002 Financial Trends Report**

**General Government Operations
Population**

Formula: Estimated Population per the U.S. Census Bureau

Warning Trend: Decreasing trend line



Year	Population
1993	15,060
1994	15,071
1995	15,122
1996	15,164
1997	15,208
1998	15,326
1999	15,176
2000	14,955
2001	15,041
2002	15,092

Changes in population may require us to reconsider the level of programs and services we offer, and the ability of our community to fund such programs and services. Our population figures are per the U.S. Census Bureau, using their Census 2000 count for the year 2000 and their published population estimates for all other years. Our population has remained around 15,000 for the entire trend period.

Boat Basin Enterprise Fund

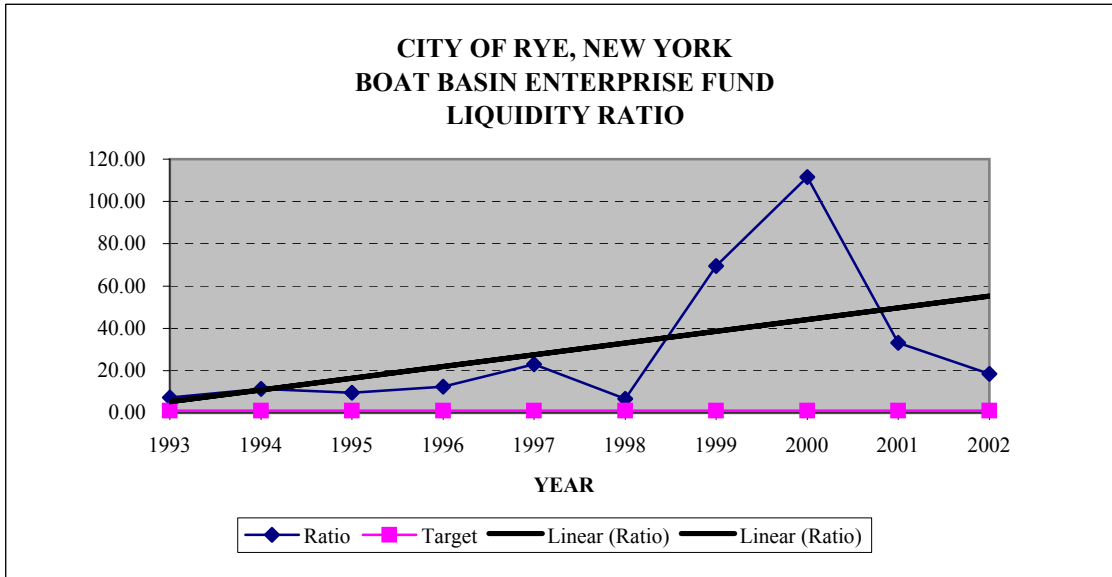
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**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Liquidity Ratio**

Formula: Cash and Short-Term Investments/Current Liabilities

Warning Trend: Decreasing trend line



Year	Cash and Short-Term Investments	Current Liabilities	Liquidity Ratio	Target
1993	\$531,976	\$72,965	7.29	1.00
1994	\$259,757	\$22,789	11.40	1.00
1995	\$313,692	\$32,855	9.55	1.00
1996	\$396,664	\$32,135	12.34	1.00
1997	\$462,289	\$20,111	22.99	1.00
1998	\$590,554	\$88,025	6.71	1.00
1999	\$451,772	\$6,511	69.39	1.00
2000	\$652,261	\$5,850	111.50	1.00
2001	\$815,860	\$24,658	33.09	1.00
2002	\$957,007	\$51,888	18.44	1.00

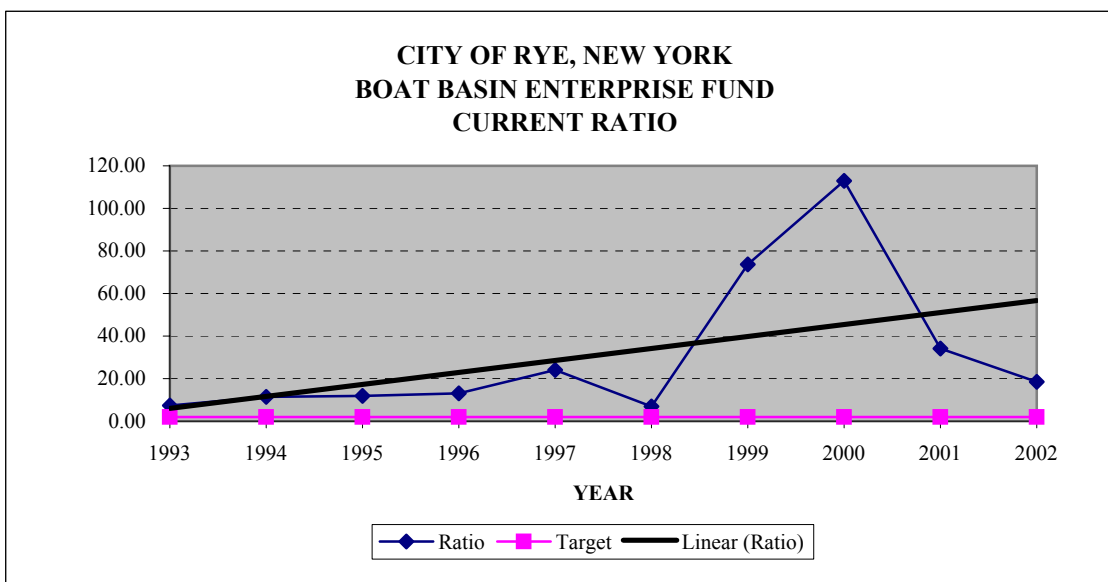
The liquidity ratio of the Boat Basin Fund remains very strong. The dramatic increase in this indicator in 1999 and 2000 is the result of substantial cash and short-term investments and minimal current liabilities at the December 31 balance sheet date.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Current Ratio**

Formula: Current Assets/Current Liabilities

Warning Trend: Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1993	\$533,821	\$72,965	7.32	2.00
1994	\$260,820	\$22,789	11.44	2.00
1995	\$388,814	\$32,855	11.83	2.00
1996	\$418,920	\$32,135	13.04	2.00
1997	\$484,996	\$20,111	24.12	2.00
1998	\$612,875	\$88,025	6.96	2.00
1999	\$479,762	\$6,511	73.68	2.00
2000	\$660,790	\$5,850	112.96	2.00
2001	\$839,922	\$24,658	34.06	2.00
2002	\$961,720	\$51,888	18.53	2.00

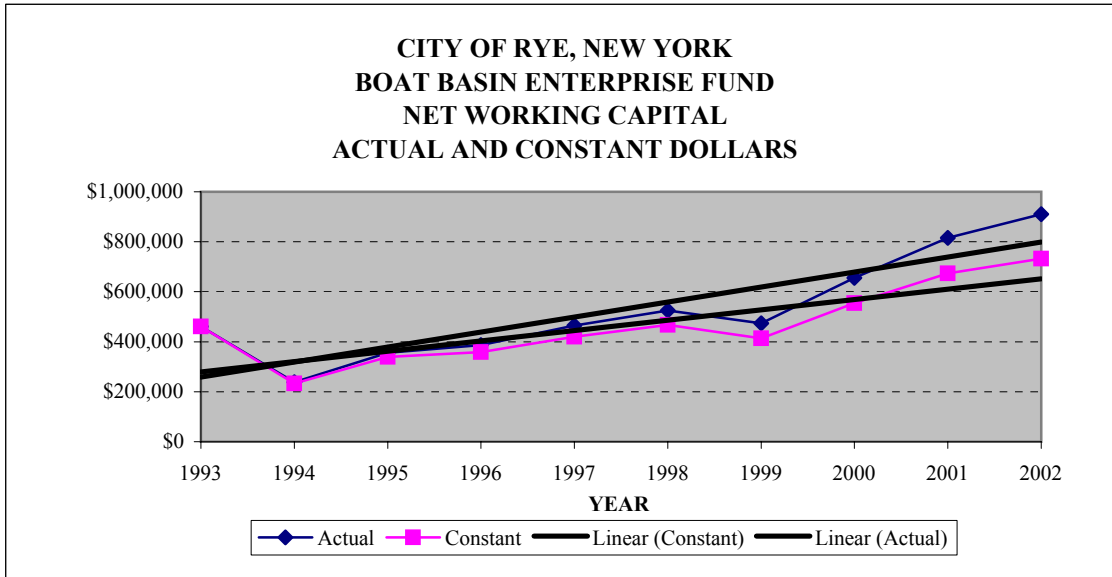
As with the liquidity ratio, the current ratio of the Boat Basin Fund is also very strong, having a positive ratio far beyond normal expectations. Like the liquidity ratio, the dramatic rise in this ratio in 1999 and 2000 is the result of substantial current assets against minimal current liabilities at year end.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Net Working Capital**

Formula: Current Assets - Current Liabilities

Warning Trend: Decreasing trend line



Year	CPI-U	Current Assets	Current Liabilities	Net Working Capital Actual	Net Working Capital Constant
1993	154.5	\$533,821	\$72,965	\$460,856	\$460,856
1994	158.2	\$260,820	\$22,789	\$238,031	\$232,464
1995	162.2	\$388,814	\$32,855	\$355,959	\$339,061
1996	166.9	\$418,920	\$32,135	\$386,785	\$358,048
1997	170.8	\$484,996	\$20,111	\$464,885	\$420,520
1998	173.6	\$612,875	\$88,025	\$524,850	\$467,104
1999	177.0	\$479,762	\$6,511	\$473,251	\$413,092
2000	182.5	\$660,790	\$5,850	\$654,940	\$554,456
2001	187.1	\$839,922	\$24,658	\$815,264	\$673,214
2002	191.9	\$961,720	\$51,888	\$909,832	\$732,512

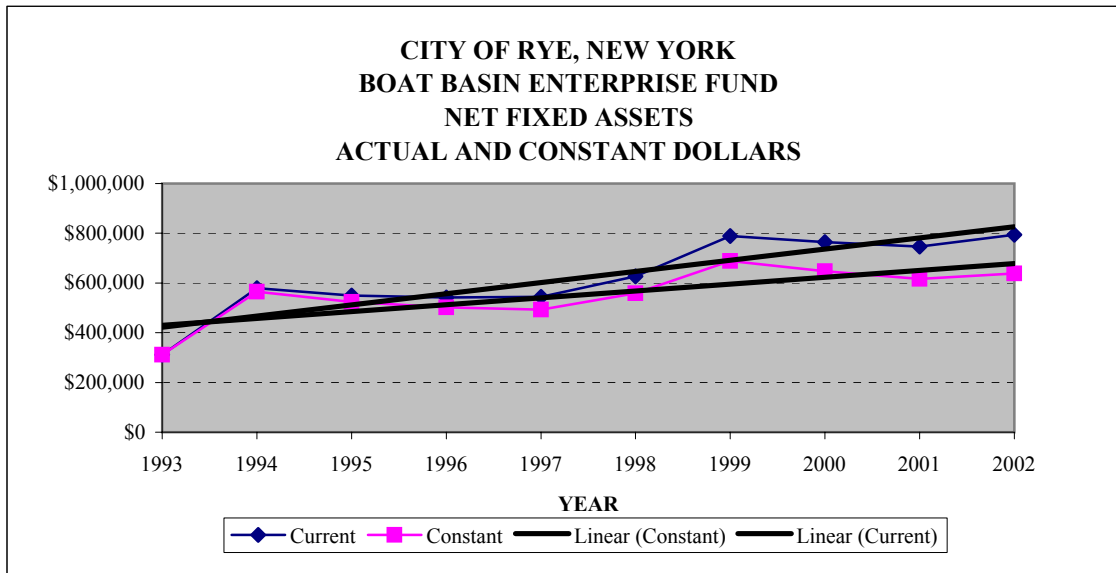
Net working capital is defined as current assets less current liabilities, and is another measure of our ability to pay off current amounts due with currently available funds and liquid assets. The 2002 actual dollar net working capital amount of \$909,832 exceeds any of the previous nine years, and the trend is a positive one.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Net Fixed Assets**

Formula: Fixed Assets - Accumulated Depreciation

Warning Trend: Decreasing trend line



Year	CPI-U	Fixed Assets	Accumulated Depreciation	Net Fixed Assets Current	Net Fixed Assets Constant
1993	154.5	\$460,335	\$149,203	\$311,132	\$311,132
1994	158.2	\$777,847	\$198,838	\$579,009	\$565,467
1995	162.2	\$804,615	\$255,103	\$549,512	\$523,425
1996	166.9	\$854,243	\$312,015	\$542,228	\$501,943
1997	170.8	\$916,539	\$372,090	\$544,449	\$492,490
1998	173.6	\$1,030,059	\$402,795	\$627,264	\$558,251
1999	177.0	\$1,232,489	\$443,037	\$789,452	\$689,098
2000	182.5	\$1,243,791	\$479,773	\$764,018	\$646,799
2001	187.1	\$1,256,891	\$510,234	\$746,657	\$616,561
2002	191.9	\$1,356,044	\$562,508	\$793,536	\$638,881

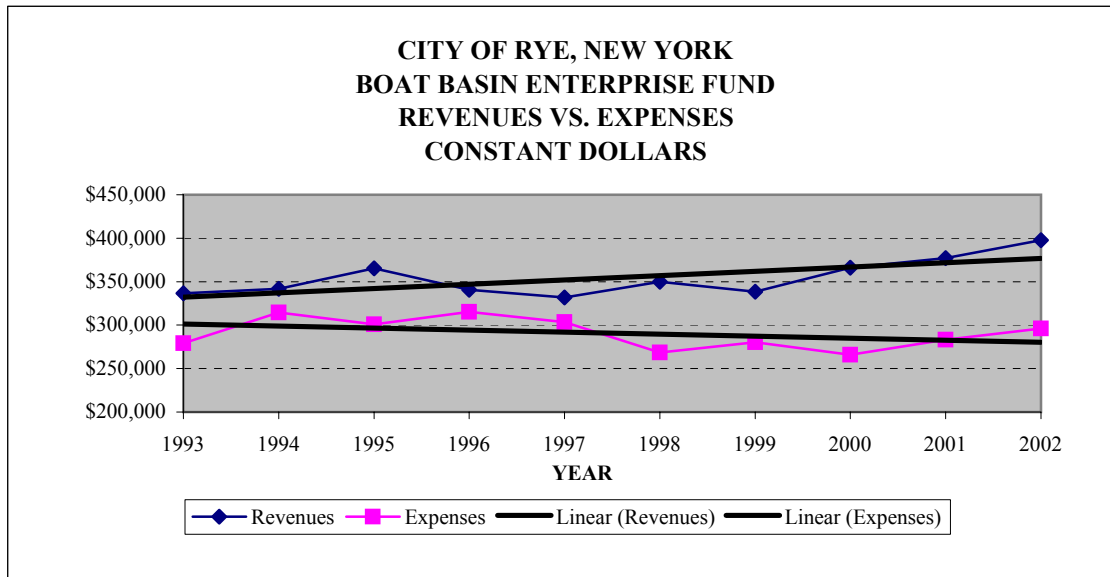
Net fixed assets are defined as fixed assets (land, buildings, improvements, and equipment) less accumulated depreciation. This indicator measures our commitment to replacing such assets when they are no longer cost-effective to operate and maintain, or are obsolete. The trend line indicates a substantial increase over the past ten years, representing a positive trend.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Net Operating Revenues vs. Net Operating Expenses**

Formula: Net Operating Revenues; Net Operating Expenses

Warning Trend: Decreasing distance between trend lines



Year	CPI-U	Actual Revenues	Actual Expenses	Constant Revenues	Constant Expenses
1993	154.5	\$336,693	\$279,122	\$336,693	\$279,122
1994	158.2	\$349,881	\$321,974	\$341,698	\$314,444
1995	162.2	\$383,401	\$316,001	\$365,200	\$301,000
1996	166.9	\$367,803	\$340,486	\$340,477	\$315,189
1997	170.8	\$367,013	\$335,471	\$331,988	\$303,456
1998	173.6	\$392,956	\$301,545	\$349,722	\$268,368
1999	177.0	\$387,843	\$321,000	\$338,541	\$280,195
2000	182.5	\$432,455	\$314,011	\$366,106	\$265,834
2001	187.1	\$456,686	\$343,146	\$377,114	\$283,357
2002	191.9	\$493,792	\$367,920	\$397,555	\$296,215

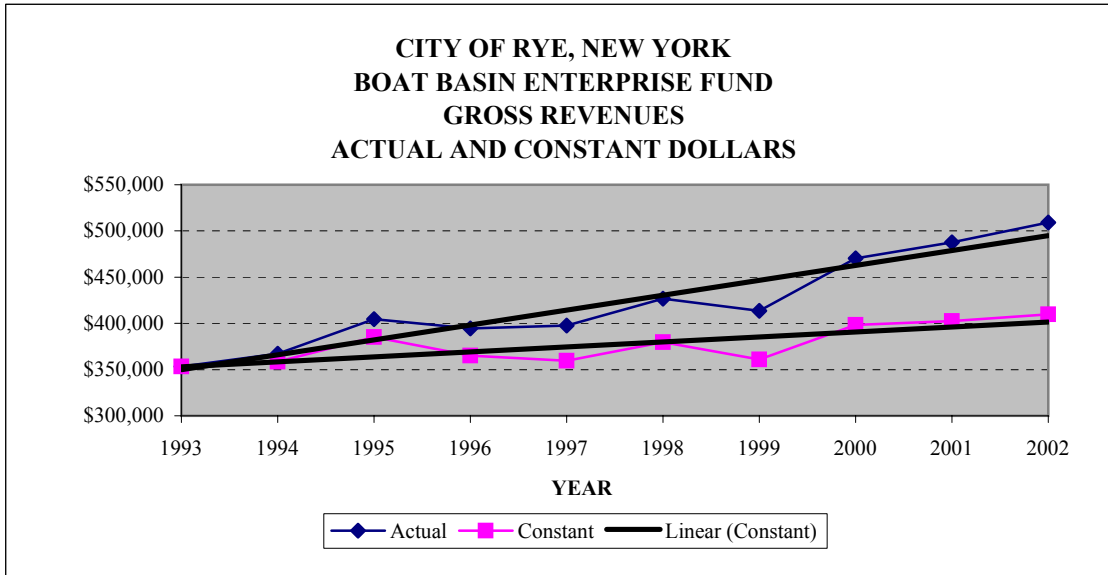
Within the trend timeline, revenues of the Boat Basin have always been above expenses. In some years the difference between them was greater than in other years. The variability of weather conditions can have a dramatic effect on Boat Basin operations. Good weather can bring higher revenues and lower expenses, while inclement weather can result in lower revenues and higher expenses. The linear trend lines for revenues and expenditures clearly shows that despite interperiod variances, there is a slightly increasing positive spread.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Gross Revenues**

Formula: Operating Revenues + Non-Operating Revenues

Warning Trend: Decreasing trend line



Year	CPI-U	Gross Revenues Actual	Gross Revenues Constant
1993	154.5	\$353,343	\$353,343
1994	158.2	\$367,026	\$358,442
1995	162.2	\$404,432	\$385,233
1996	166.9	\$394,521	\$365,210
1997	170.8	\$397,609	\$359,664
1998	173.6	\$426,724	\$379,775
1999	177.0	\$413,421	\$360,867
2000	182.5	\$470,494	\$398,309
2001	187.1	\$487,541	\$402,593
2002	191.9	\$508,997	\$409,797

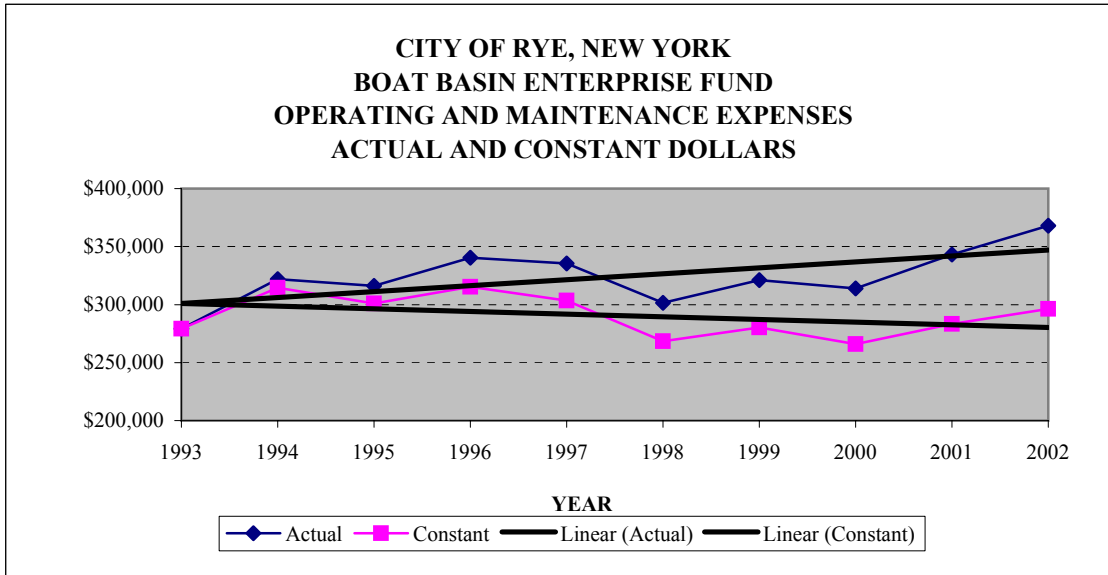
Gross revenues are defined as all revenues, including charges for services, miscellaneous items, and interest income. Gross revenues are shown in actual and inflation-adjusted dollars. While the trend lines for both actual and constant dollars are positive, the upward trend line in constant dollars is far less dramatic than the one in actual dollars. This indicates that we must consider the impact of inflation when establishing fees and charges.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Operating and Maintenance Expenses**

Formula: Operating and Maintenance Expenses

Warning Trend: Increasing trend line



Year	CPI-U	Operating Expenses Actual	Operating Expenses Constant
1993	154.5	\$279,122	\$279,122
1994	158.2	\$321,974	\$314,444
1995	162.2	\$316,001	\$301,000
1996	166.9	\$340,486	\$315,189
1997	170.8	\$335,471	\$303,456
1998	173.6	\$301,545	\$268,368
1999	177.0	\$321,000	\$280,195
2000	182.5	\$314,011	\$265,834
2001	187.1	\$343,146	\$283,357
2002	191.9	\$367,920	\$296,215

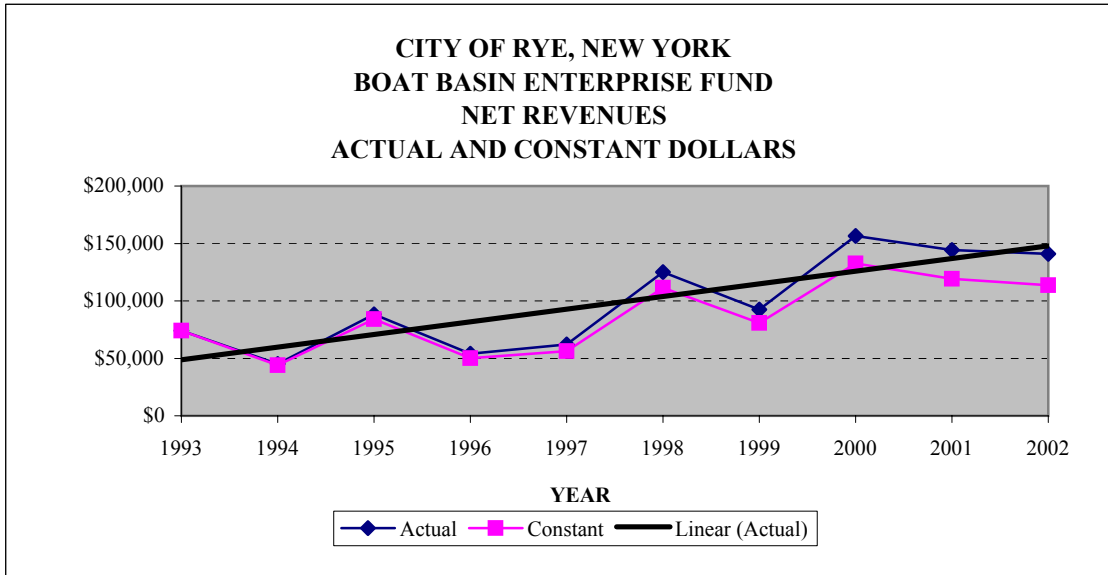
Operating and maintenance expenses are defined as all expenses related to the operation and maintenance of an enterprise, including salaries and wages, employee benefits, materials and supplies, contractual costs, interest expense and depreciation. Operating and maintenance expenses are shown both in actual and constant 1992 dollars. Our actual trend shows a slight increase over the past ten years, and when accounted for in inflation-adjusted dollars, shows a decline. This is a positive trend, as it indicates a good control over expenses.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Net Revenues**

Formula: Gross Revenues - Operating and Maintenance Expenses

Warning Trend: Decreasing trend line



Year	CPI-U	Net Revenues Actual	Net Revenues Constant
1993	154.5	\$74,221	\$74,221
1994	158.2	\$45,052	\$43,998
1995	162.2	\$88,431	\$84,233
1996	166.9	\$54,035	\$50,020
1997	170.8	\$62,138	\$56,208
1998	173.6	\$125,179	\$111,406
1999	177.0	\$92,421	\$80,673
2000	182.5	\$156,483	\$132,475
2001	187.1	\$144,395	\$119,236
2002	191.9	\$141,079	\$113,584

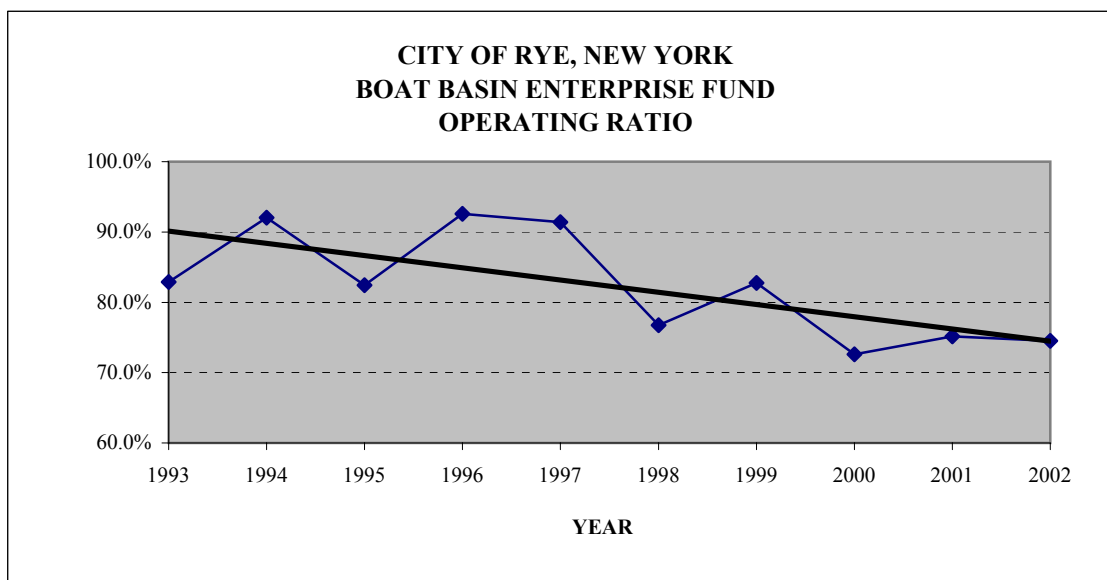
Net revenues are defined as all revenues less operating and maintenance expenses, and is also known as net income. This indicator measures our efficiency at covering expenses with revenue, and an upward trend is a positive one. Our overall trend at the Boat Basin is a positive one, even though there is some inter-period fluctuation. Net revenues can be affected dramatically by seasonal weather conditions.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Operating Ratio**

Formula: Operating and Maintenance Expenses/Operating Revenues

Warning Trend: Increasing trend line



Year	Operating Expenses	Operating Revenues	Net Operating Ratio
1993	\$279,122	\$336,693	82.9%
1994	\$321,974	\$349,881	92.0%
1995	\$316,001	\$383,401	82.4%
1996	\$340,486	\$367,803	92.6%
1997	\$335,471	\$367,013	91.4%
1998	\$301,545	\$392,956	76.7%
1999	\$321,000	\$387,843	82.8%
2000	\$314,011	\$432,455	72.6%
2001	\$343,146	\$456,686	75.1%
2002	\$367,920	\$493,792	74.5%

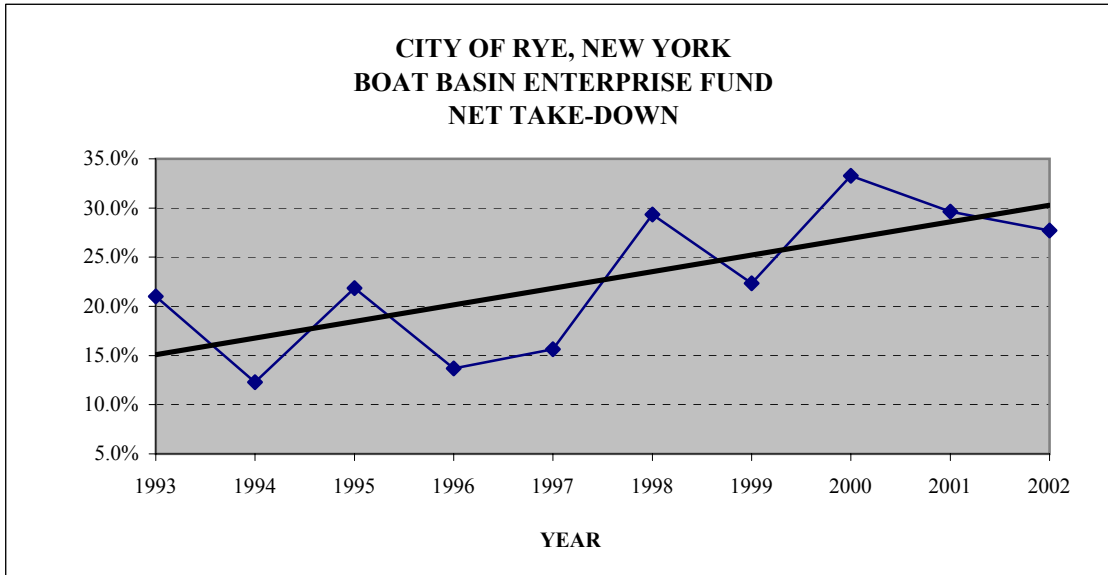
Operating ratio is defined as the operating and maintenance expenses divided by operating revenues, and is another way of measuring operating results. A decreasing trend is a positive trend, and this indicator for our Boat Basin shows that our trend is positive.

**City of Rye, New York
2002 Financial Trends Report**

**Boat Basin Enterprise Fund
Net Take-Down**

Formula: Net Revenues/Gross Revenues

Warning Trend: Decreasing trend line



Year	Net Revenues	Gross Revenues	Net Take-down Ratio
1993	\$74,221	\$353,343	21.0%
1994	\$45,052	\$367,026	12.3%
1995	\$88,431	\$404,432	21.9%
1996	\$54,035	\$394,521	13.7%
1997	\$62,138	\$397,609	15.6%
1998	\$125,179	\$426,724	29.3%
1999	\$92,421	\$413,421	22.4%
2000	\$156,483	\$470,494	33.3%
2001	\$144,395	\$487,541	29.6%
2002	\$141,079	\$508,997	27.7%

Net take-down is defined as net revenues to gross revenues. Increasing net take-down is a positive trend. The overall trend of our Boat Basin has been an increasing one (positive) despite some interperiod fluctuations.

Golf Club Enterprise Fund

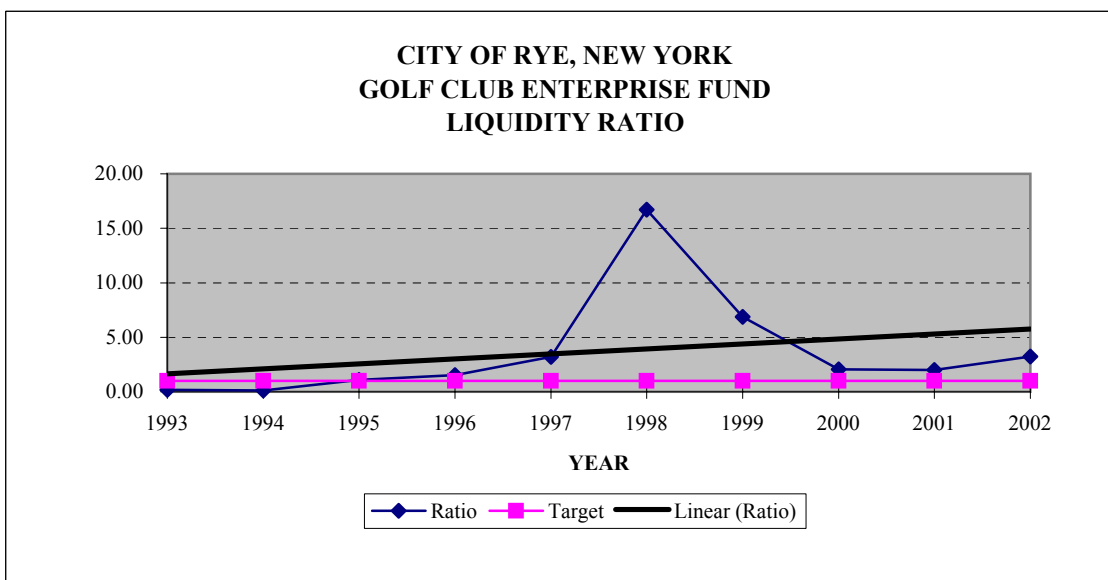
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**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Liquidity Ratio**

Formula: Cash and Short-Term Investments/Current Liabilities

Warning Trend: Decreasing trend line



Year	Cash and Short-Term Investments	Current Liabilities	Liquidity Ratio	Target
1993	\$76,162	\$462,102	0.16	1.00
1994	\$44,957	\$362,570	0.12	1.00
1995	\$194,789	\$179,810	1.08	1.00
1996	\$315,074	\$205,597	1.53	1.00
1997	\$574,617	\$179,118	3.21	1.00
1998	\$6,118,653	\$366,062	16.71	1.00
1999	\$5,666,428	\$823,439	6.88	1.00
2000	\$2,003,693	\$980,331	2.04	1.00
2001	\$1,062,265	\$528,821	2.01	1.00
2002	\$1,515,054	\$469,563	3.23	1.00

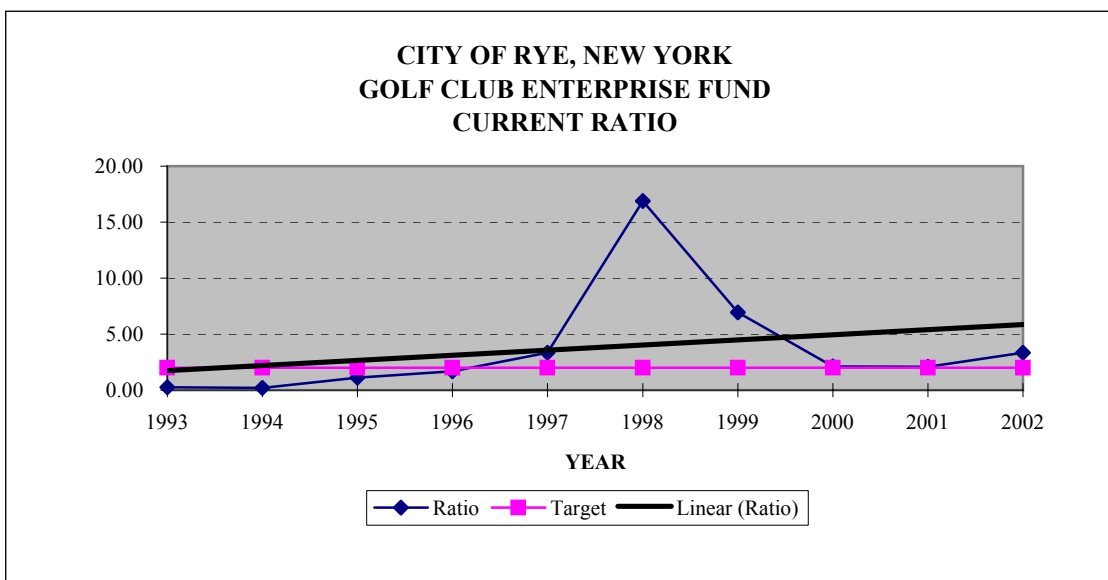
Liquidity for the Golf Club met target in 1995 (prior to which it was below target), and has remained above target since that time. The dramatic jump in 1998 reflects the receipt of cash related to our 1998 Series A and B bond proceeds. Excluding the bond proceeds from the calculation would still have resulted in a positive ratio of almost 2:1. As seen in the chart, the ratio continues in its upward trend, ending the year 2002 at a level of over 3:1.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Current Ratio**

Formula: Current Assets/Current Liabilities

Warning Trend: Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1993	\$115,586	\$462,102	0.25	2.00
1994	\$70,837	\$362,570	0.20	2.00
1995	\$200,519	\$179,810	1.12	2.00
1996	\$347,082	\$205,597	1.69	2.00
1997	\$600,573	\$179,118	3.35	2.00
1998	\$6,185,103	\$366,062	16.90	2.00
1999	\$5,723,764	\$823,439	6.95	2.00
2000	\$2,074,976	\$980,331	2.12	2.00
2001	\$1,097,533	\$528,821	2.08	2.00
2002	\$1,566,274	\$469,563	3.34	2.00

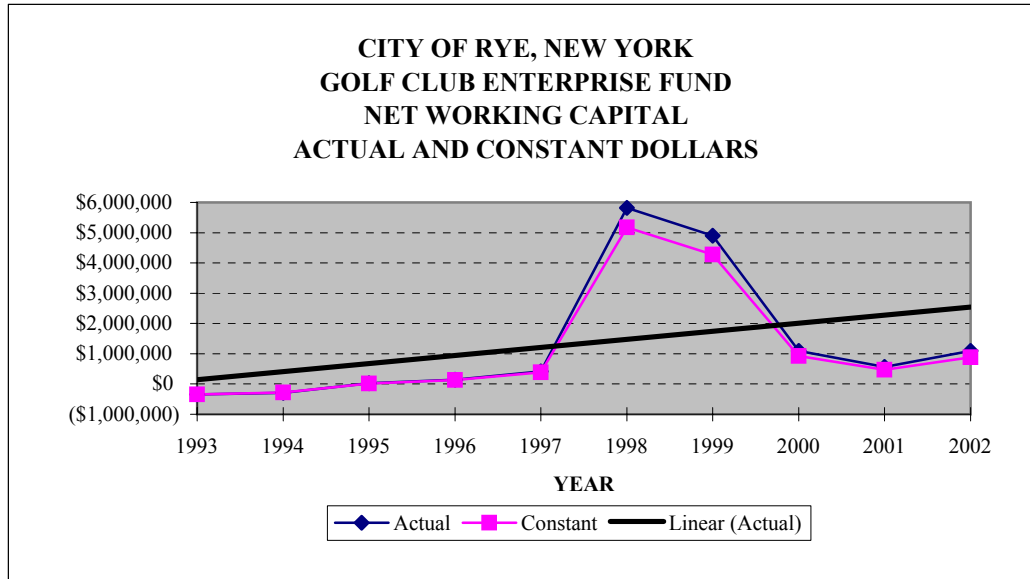
The current ratio for the Golf Club met target in 1997. As with the liquidity ratio, the dramatic jump in 1998 is attributed to the 1998 Series A and B bond proceeds, and exclusive of the bond proceeds the ratio would still have remained a positive 2.14:1. The ratio continues in its upward trend, ending the year 2002 at a level of over 3:1.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Net Working Capital**

Formula: Current Assets - Current Liabilities

Warning Trend: Decreasing trend line



Year	CPI-U	Current Assets	Current Liabilities	Net Working Capital Actual	Net Working Capital Constant
1993	154.5	\$115,586	\$462,102	(\$346,516)	(\$346,516)
1994	158.2	\$70,837	\$362,570	(\$291,733)	(\$284,910)
1995	162.2	\$200,519	\$179,810	\$20,709	\$19,726
1996	166.9	\$347,082	\$205,597	\$141,485	\$130,973
1997	170.8	\$600,573	\$179,118	\$421,455	\$381,234
1998	173.6	\$6,185,103	\$366,062	\$5,819,041	\$5,178,812
1999	177.0	\$5,723,764	\$823,439	\$4,900,325	\$4,277,402
2000	182.5	\$2,074,976	\$980,331	\$1,094,645	\$926,699
2001	187.1	\$1,097,533	\$528,821	\$568,712	\$469,621
2002	191.9	\$1,566,274	\$469,563	\$1,096,711	\$882,970

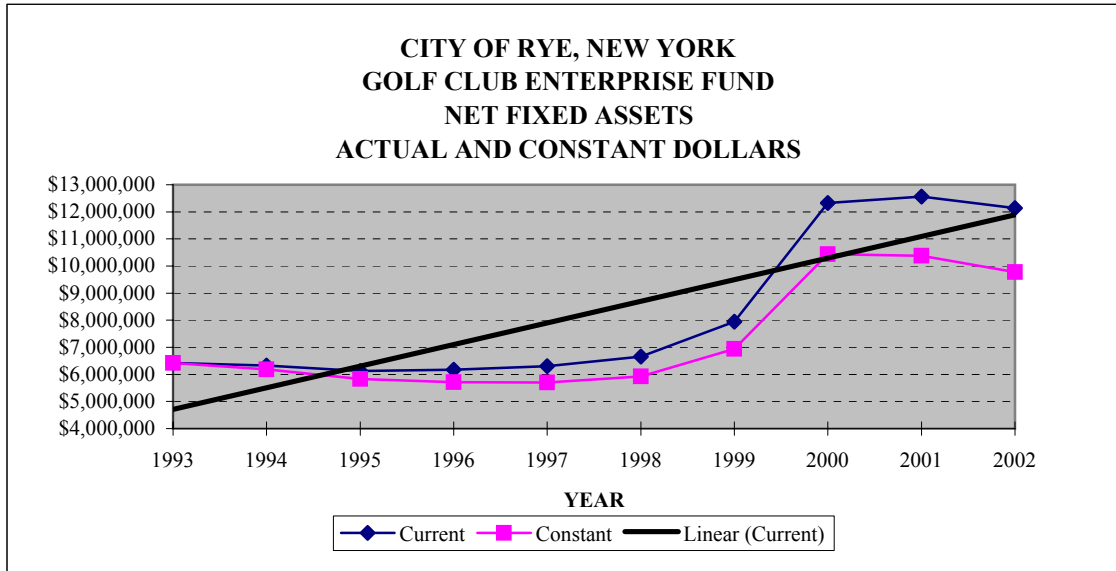
Net working capital is defined as current assets less current liabilities, and is another measure of our ability to pay off current amounts due with currently available funds and liquid assets. In the first three years of its existence as an enterprise fund, the Golf Club struggled to reach a positive net working capital position. Since that time the net working capital has steadily increased. The dramatic increase from 1998 through 2000 is due to the receipt of the 1998 serial bond proceeds.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Net Fixed Assets**

Formula: Fixed Assets - Accumulated Depreciation

Warning Trend: Decreasing trend line

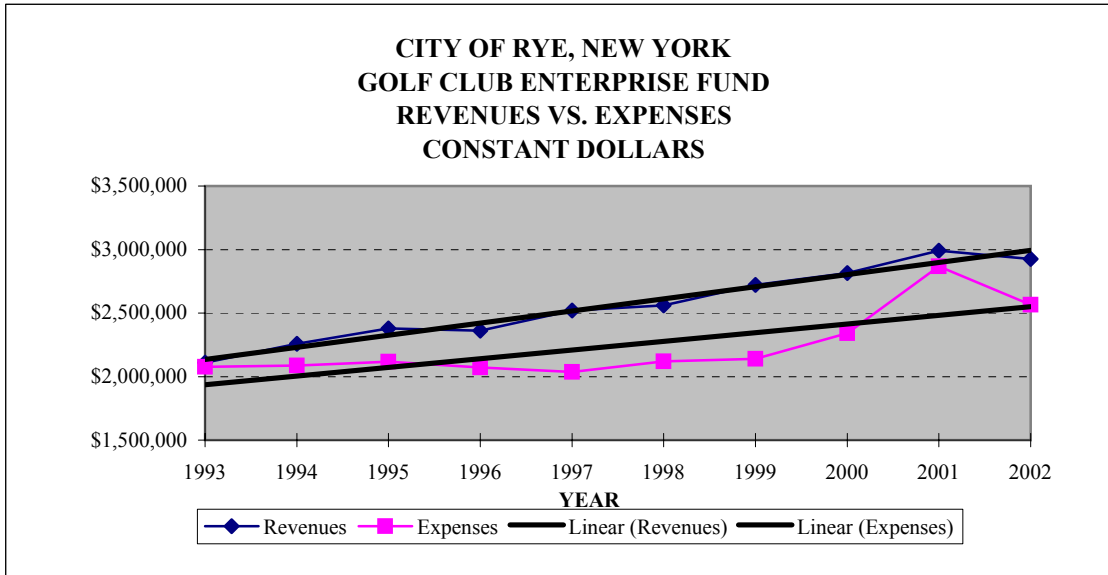


Year	CPI-U	Fixed Assets	Accumulated Depreciation	Net Fixed Assets Current	Net Fixed Assets Constant
1993	154.5	\$7,581,792	\$1,160,992	\$6,420,800	\$6,420,800
1994	158.2	\$7,755,446	\$1,428,037	\$6,327,409	\$6,179,423
1995	162.2	\$7,818,468	\$1,693,451	\$6,125,017	\$5,834,249
1996	166.9	\$8,131,160	\$1,958,203	\$6,172,957	\$5,714,331
1997	170.8	\$8,526,479	\$2,228,236	\$6,298,243	\$5,697,181
1998	173.6	\$9,190,108	\$2,537,012	\$6,653,096	\$5,921,102
1999	177.0	\$10,819,235	\$2,871,717	\$7,947,518	\$6,937,240
2000	182.5	\$15,539,026	\$3,212,841	\$12,326,185	\$10,435,044
2001	187.1	\$15,746,414	\$3,181,727	\$12,564,687	\$10,375,436
2002	191.9	\$15,774,556	\$3,639,270	\$12,135,286	\$9,770,202

Net fixed assets are defined as fixed assets (land, buildings, and equipment) less accumulated depreciation. This indicator measures our commitment to replacing such assets when they are no longer cost-effective to operate and maintain or are obsolete. The trend line indicates a major positive trend upwards, representing a number of capital improvements to the golf course and facilities that came into service during the trend period.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Net Operating Revenues vs. Net Operating Expenses**
Formula: Net Operating Revenues; Net Operating Expenses
Warning Trend: Decreasing distance between trend lines



Year	CPI-U	Actual Revenues	Actual Expenses	Constant Revenues	Constant Expenses
1993	154.5	\$2,110,592	\$2,077,199	\$2,110,592	\$2,077,199
1994	158.2	\$2,313,204	\$2,137,764	\$2,259,103	\$2,087,766
1995	162.2	\$2,496,422	\$2,221,339	\$2,377,911	\$2,115,887
1996	166.9	\$2,552,223	\$2,238,339	\$2,362,603	\$2,072,039
1997	170.8	\$2,785,165	\$2,251,765	\$2,519,368	\$2,036,872
1998	173.6	\$2,876,329	\$2,382,686	\$2,559,867	\$2,120,536
1999	177.0	\$3,118,902	\$2,452,587	\$2,722,431	\$2,140,817
2000	182.5	\$3,324,320	\$2,766,308	\$2,814,287	\$2,341,888
2001	187.1	\$3,621,291	\$3,473,176	\$2,990,323	\$2,868,015
2002	191.9	\$3,635,383	\$3,185,040	\$2,926,872	\$2,564,297

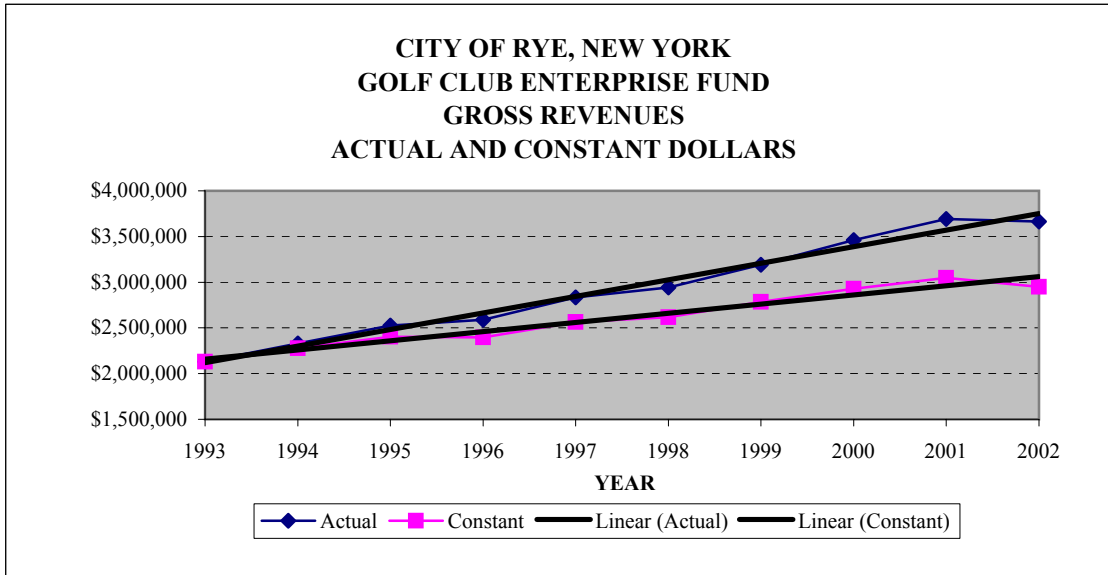
Net operating revenues compared to net operating expenses of the Golf Club have been on an increasingly positive trend. Since 1993, in inflation adjusted dollars, the gap between the two lines has widened continuously, indicating that our revenues are growing faster than our expenses. This reflects sound operational and financial management of the Golf Club.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Gross Revenues**

Formula: Operating Revenues + Non-Operating Revenues

Warning Trend: Decreasing trend line



Year	CPI-U	Gross Revenues Actual	Gross Revenues Constant
1993	154.5	\$2,131,462	\$2,131,462
1994	158.2	\$2,330,119	\$2,275,622
1995	162.2	\$2,524,560	\$2,404,713
1996	166.9	\$2,589,189	\$2,396,823
1997	170.8	\$2,833,582	\$2,563,164
1998	173.6	\$2,941,891	\$2,618,215
1999	177.0	\$3,191,484	\$2,785,787
2000	182.5	\$3,459,579	\$2,928,794
2001	187.1	\$3,691,753	\$3,048,508
2002	191.9	\$3,662,649	\$2,948,824

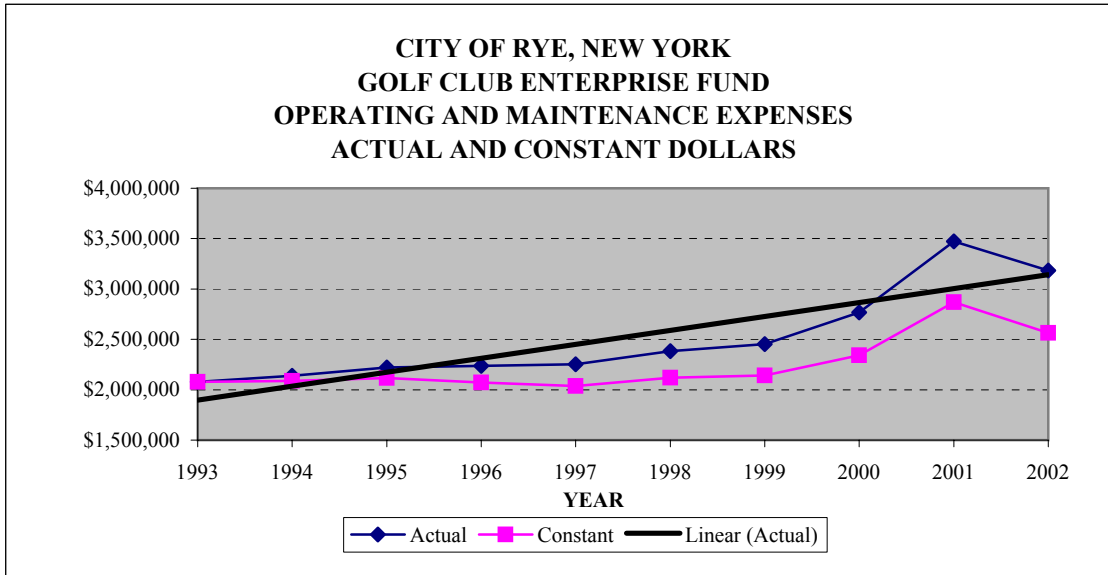
Gross revenues are defined as all revenues, including charges for services, miscellaneous items, and interest income. Gross revenues are shown in actual and inflation-adjusted dollars. Gross revenues have been on a steady increase at the Golf Club both in terms of actual and constant 1993 dollars. This indicates a very positive revenue stream reflecting a fee structure that has been designed to adjust for inflation.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Operating and Maintenance Expenses**

Formula: Operating and Maintenance Expenses

Warning Trend: Increasing trend line



Year	CPI-U	Operating Expenses Actual	Operating Expenses Constant
1993	154.5	\$2,077,199	\$2,077,199
1994	158.2	\$2,137,764	\$2,087,766
1995	162.2	\$2,221,339	\$2,115,887
1996	166.9	\$2,238,339	\$2,072,039
1997	170.8	\$2,251,765	\$2,036,872
1998	173.6	\$2,382,686	\$2,120,536
1999	177.0	\$2,452,587	\$2,140,817
2000	182.5	\$2,766,308	\$2,341,888
2001	187.1	\$3,473,176	\$2,868,015
2002	191.9	\$3,185,040	\$2,564,297

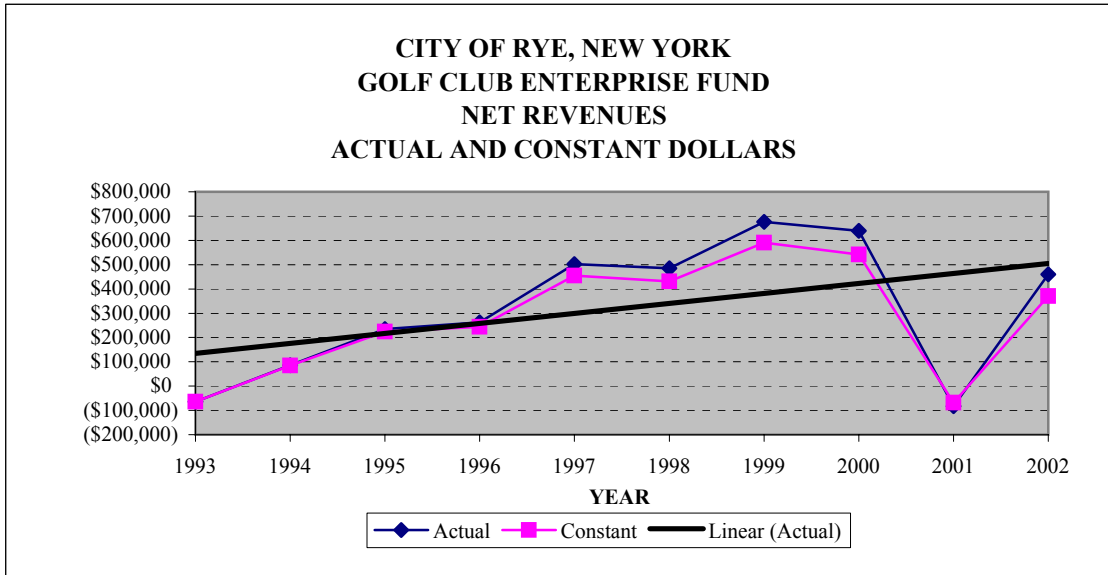
Operating and maintenance expenses are defined as all expenses related to the operation and maintenance of an enterprise, including salaries and wages, employee benefits, materials and supplies, contractual costs, interest expense and depreciation. Golf Club operating and maintenance expenses show a slightly upward trend.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Net Revenues**

Formula: Gross Revenues - Operating and Maintenance Expenses

Warning Trend: Decreasing trend line



Year	CPI-U	Net Revenues Actual	Net Revenues Constant
1993	154.5	(\$64,131)	(\$64,131)
1994	158.2	\$86,392	\$84,371
1995	162.2	\$235,051	\$223,893
1996	166.9	\$262,913	\$243,380
1997	170.8	\$502,254	\$454,322
1998	173.6	\$485,039	\$431,674
1999	177.0	\$676,456	\$590,466
2000	182.5	\$639,205	\$541,135
2001	187.1	(\$82,579)	(\$68,191)
2002	191.9	\$459,680	\$370,092

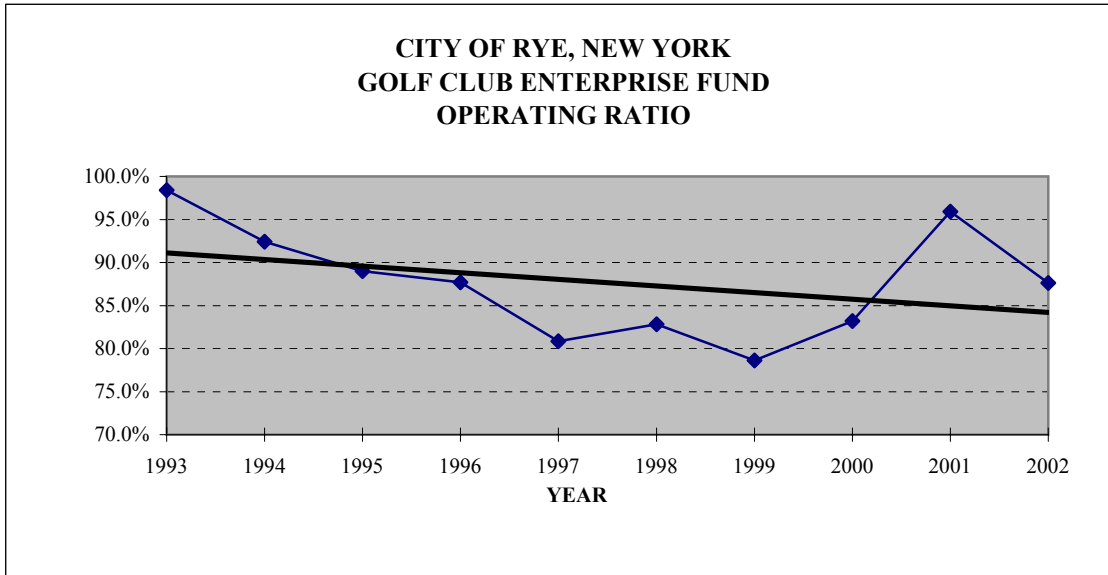
Net revenues, also known as net income, is defined as all revenues less operating and maintenance expenses. This indicator measures our efficiency at covering expenses with revenue, and an upward trend is a positive one. Net revenues of the Golf Club have been in an upward trend. However, care should be taken to ensure that the negative results of fiscal 2001 are not repeated and that future years show positive net income.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Operating Ratio**

Formula: Operating and Maintenance Expenses/Operating Revenues

Warning Trend: Increasing trend line



Year	Operating Expenses	Operating Revenues	Net Operating Ratio
1993	\$2,077,199	\$2,110,592	98.4%
1994	\$2,137,764	\$2,313,204	92.4%
1995	\$2,221,339	\$2,496,422	89.0%
1996	\$2,238,339	\$2,552,223	87.7%
1997	\$2,251,765	\$2,785,165	80.8%
1998	\$2,382,686	\$2,876,329	82.8%
1999	\$2,452,587	\$3,118,902	78.6%
2000	\$2,766,308	\$3,324,320	83.2%
2001	\$3,473,176	\$3,621,291	95.9%
2002	\$3,185,040	\$3,635,383	87.6%

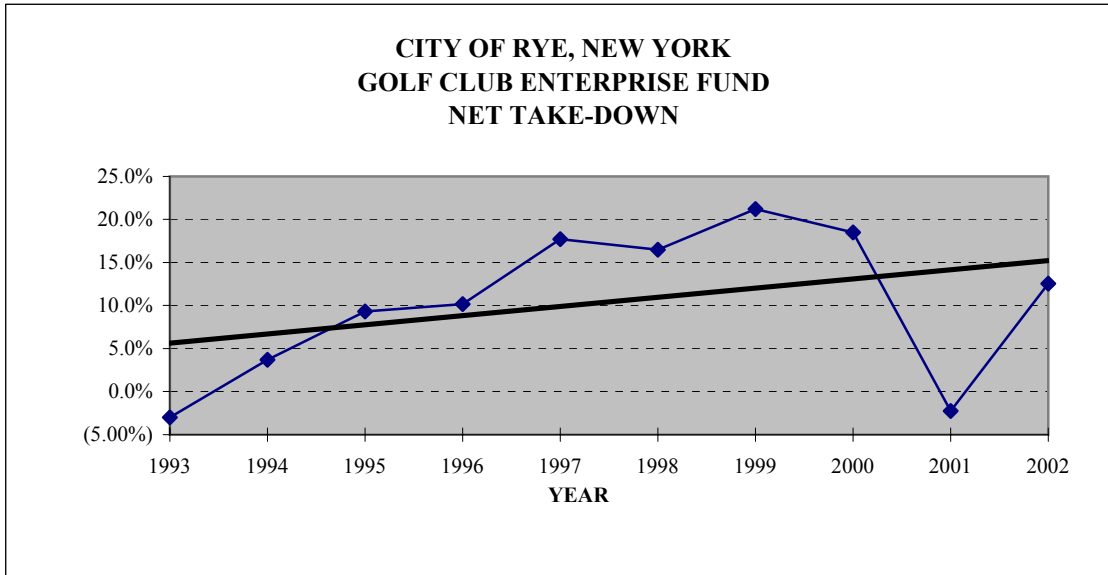
Operating ratio is defined as the operating and maintenance expenses divided by operating revenues, and is another way of measuring operating results. A decreasing trend is a positive trend. The Golf Club's operating ratio has been on an overall positive trend downward. The downward trend indicates that less of our revenue is required to cover our operating and maintenance expenses. Future operations should be monitored closely to ensure that the net operating ratio does not exceed 100%.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Net Take-Down**

Formula: Net Revenues/Gross Revenues

Warning Trend: Decreasing trend line



Year	Net Revenues	Gross Revenues	Net Take-down Ratio
1993	(\$64,131)	\$2,131,462	(3.01%)
1994	\$86,392	\$2,330,119	3.7%
1995	\$235,051	\$2,524,560	9.3%
1996	\$262,913	\$2,589,189	10.2%
1997	\$502,254	\$2,833,582	17.7%
1998	\$485,039	\$2,941,891	16.5%
1999	\$676,456	\$3,191,484	21.2%
2000	\$639,205	\$3,459,579	18.5%
2001	(\$82,579)	\$3,691,753	(2.24%)
2002	\$459,680	\$3,662,649	12.6%

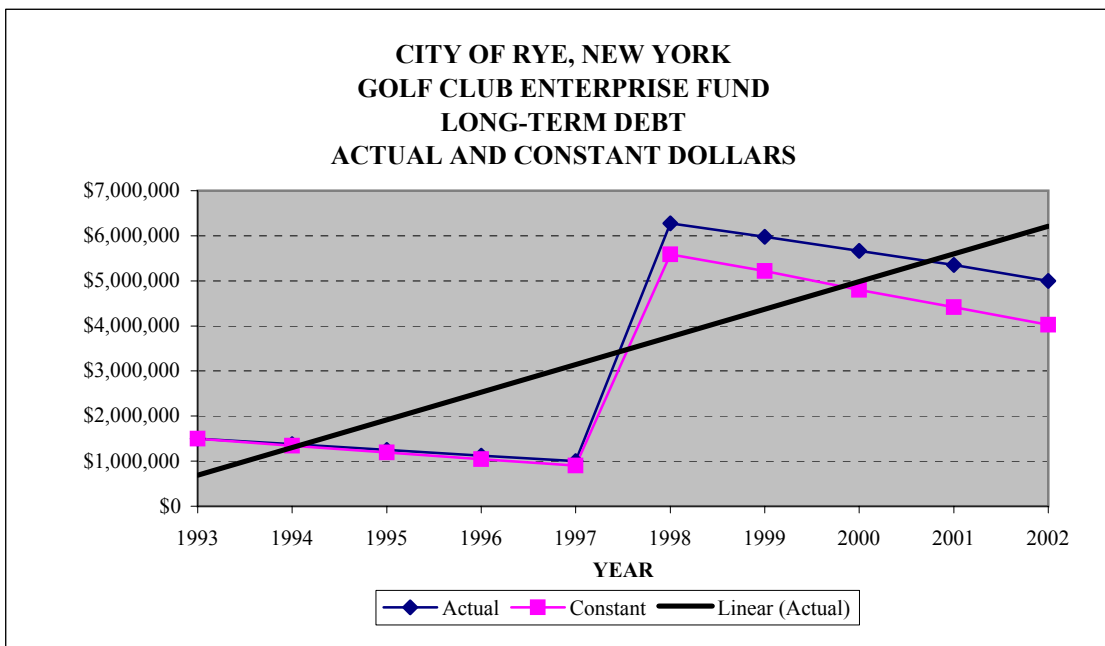
Net take-down is defined as net revenues to gross revenues. Increasing net take-down is a positive trend. Our Golf Club net take-down shows a steady increase. However, fiscal 2001 resulted in a negative net take-down, an indication that action had to be taken to increase our profit margin so that the upward trend does not deteriorate.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Long-Term Debt**

Formula: Current and Non-Current Long-Term Debt

Warning Trend: Increasing trend line



Year	CPI-U	Long-Term Debt	Long-Term Debt
		Actual	Constant
1993	154.5	\$1,500,000	\$1,500,000
1994	158.2	\$1,375,000	\$1,342,841
1995	162.2	\$1,250,000	\$1,190,660
1996	166.9	\$1,125,000	\$1,041,417
1997	170.8	\$1,000,000	\$904,567
1998	173.6	\$6,275,000	\$5,584,605
1999	177.0	\$5,975,000	\$5,215,466
2000	182.5	\$5,665,000	\$4,795,849
2001	187.1	\$5,350,000	\$4,417,825
2002	191.9	\$5,000,000	\$4,025,534

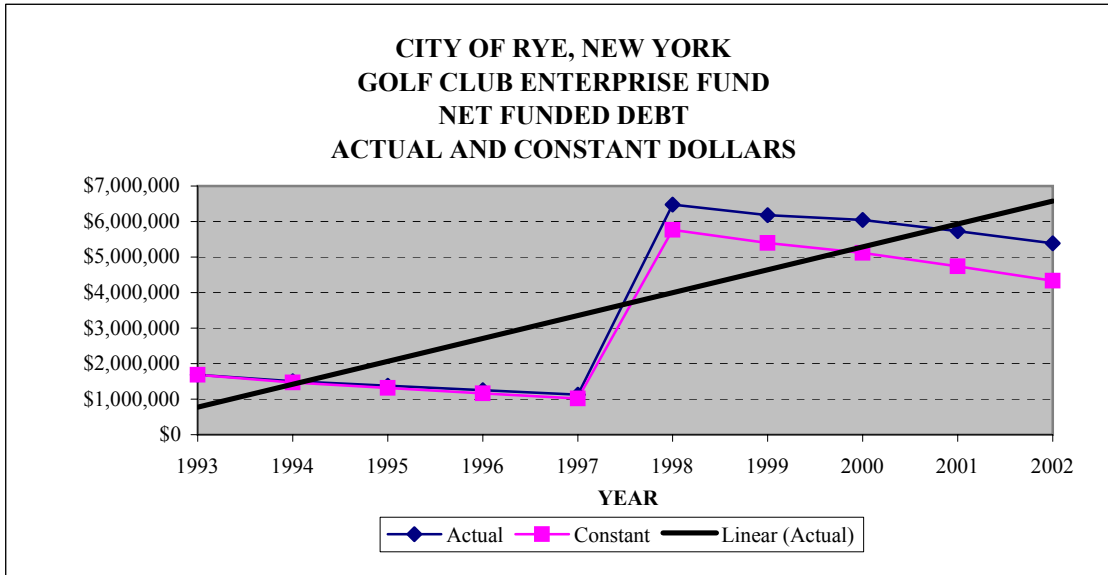
Long-term debt was on the decline at the Golf Club until 1998, when \$5,400,000 was issued in the 1998 Series A and B serial bonds. Since then no new debt has been issued, and long-term debt is once again in a declining (positive) trend.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Net Funded Debt**

Formula: Long-Term Debt + Accrued Interest Payable

Warning Trend: Increasing trend line



Year	CPI-U	Net Funded Debt	Net Funded Debt
		Actual	Constant
1993	154.5	\$1,680,975	\$1,680,975
1994	158.2	\$1,504,405	\$1,469,220
1995	162.2	\$1,379,038	\$1,313,572
1996	166.9	\$1,253,671	\$1,160,528
1997	170.8	\$1,128,304	\$1,020,626
1998	173.6	\$6,480,022	\$5,767,070
1999	177.0	\$6,179,650	\$5,394,101
2000	182.5	\$6,041,831	\$5,114,865
2001	187.1	\$5,733,847	\$4,734,791
2002	191.9	\$5,385,802	\$4,336,146

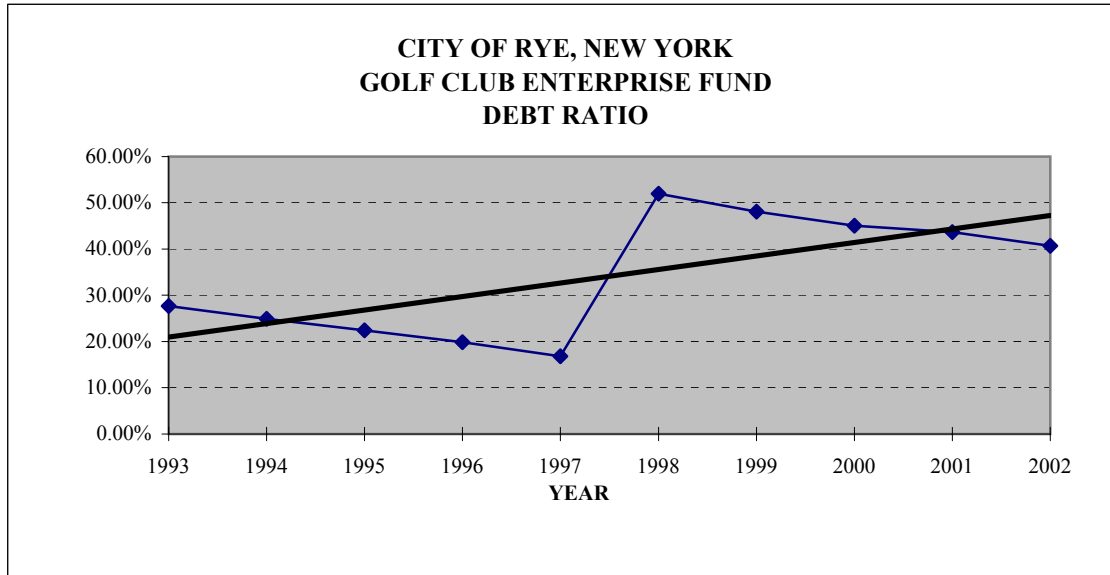
Net funded debt is defined as long-term debt plus accrued interest payable, less any amount applicable to such debt in a debt service fund and/or a debt reserve fund. The Golf Club does not have a debt service or debt reserve fund for its outstanding debt, and the net funded debt is higher than long-term debt due to debt interest accrued through December 31 of each year. As with long-term debt, net funded debt was on a decline until we issued the 1998 Series A and B bonds. Since no new debt has been issued since 1998, the trend is once again declining.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Debt Ratio**

Formula: Net Funded Debt/Net Fixed Assets + Net Working Capital

Warning Trend: Increasing trend line



Year	Net Funded Debt	Net Fixed Assets	Net Working Capital	Debt Ratio
1993	\$1,680,975	\$6,420,800	(\$346,516)	27.67%
1994	\$1,504,405	\$6,327,409	(\$291,733)	24.93%
1995	\$1,379,038	\$6,125,017	\$20,709	22.44%
1996	\$1,253,671	\$6,172,957	\$141,485	19.85%
1997	\$1,128,304	\$6,298,243	\$421,455	16.79%
1998	\$6,480,022	\$6,653,096	\$5,819,041	51.96%
1999	\$6,179,650	\$7,947,518	\$4,900,325	48.10%
2000	\$6,041,831	\$12,326,185	\$1,094,645	45.02%
2001	\$5,733,847	\$12,564,687	\$568,712	43.66%
2002	\$5,385,802	\$12,135,286	\$1,096,711	40.70%

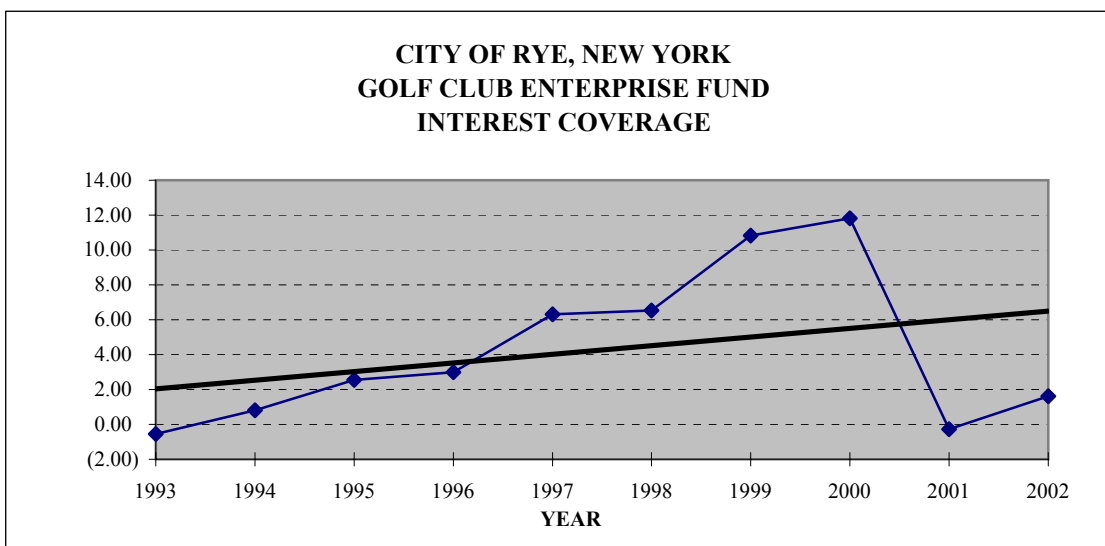
As with our outstanding debt indicators, the debt ratio was on a decline until 1998. With the issuance of the 1998 Series A and B serial bonds, the ratio jumped from 17% to 52%, but has been declining since.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Interest Coverage**

Formula: Net Revenues/Debt Interest

Warning Trend: Decreasing trend line



Year	Net Revenues	Debt Interest	Interest Coverage
1993	(\$64,131)	\$118,394	(0.54)
1994	\$86,392	\$105,963	0.82
1995	\$235,051	\$91,895	2.56
1996	\$262,913	\$87,937	2.99
1997	\$502,254	\$79,563	6.31
1998	\$485,039	\$74,166	6.54
1999	\$676,456	\$62,441	10.83
2000	\$639,205	\$54,066	11.82
2001	(\$82,579)	\$301,156	(0.27)
2002	\$459,680	\$283,850	1.62

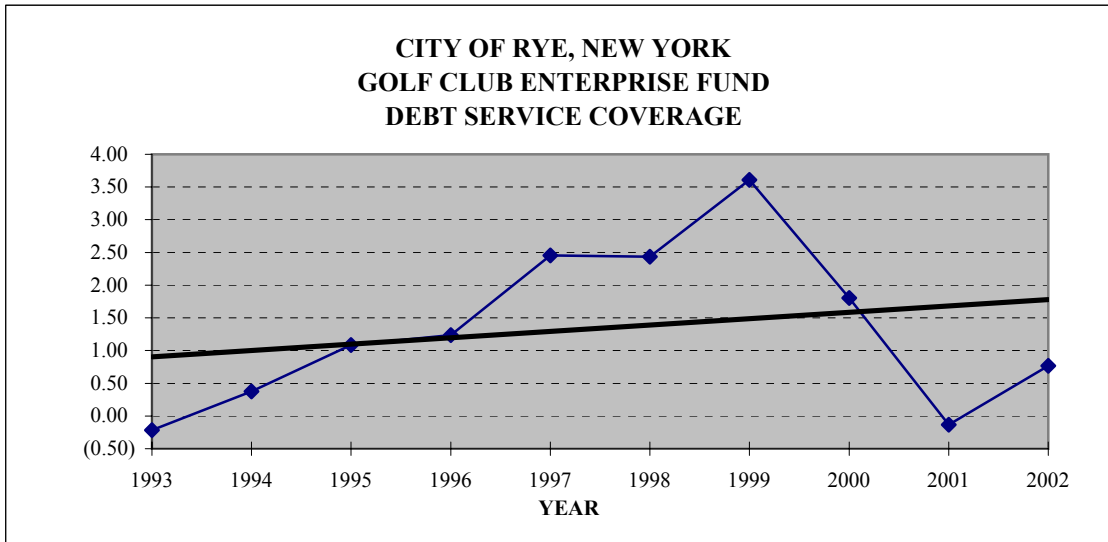
Debt interest coverage for the Golf Club continues to rise on a positive trend. The negative net income of 2001 resulted in a sharp decrease in debt interest coverage for that year. As stated in earlier indicators, it is important to ensure that future results of operations show a positive net income. Assuming no new debt is issued, debt interest coverage would be expected to increase as debt interest costs decrease and net income increases.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Debt Service Coverage**

Formula: Net Revenues/Debt Principal + Debt Interest

Warning Trend: Decreasing trend line



Year	Net Revenues	Debt Service	Debt Service Coverage
1993	(\$64,131)	\$293,394	(0.22)
1994	\$86,392	\$230,963	0.37
1995	\$235,051	\$216,895	1.08
1996	\$262,913	\$212,937	1.23
1997	\$502,254	\$204,563	2.46
1998	\$485,039	\$199,166	2.44
1999	\$676,456	\$187,441	3.61
2000	\$639,205	\$354,066	1.81
2001	(\$82,579)	\$611,156	(0.14)
2002	\$459,680	\$598,850	0.77

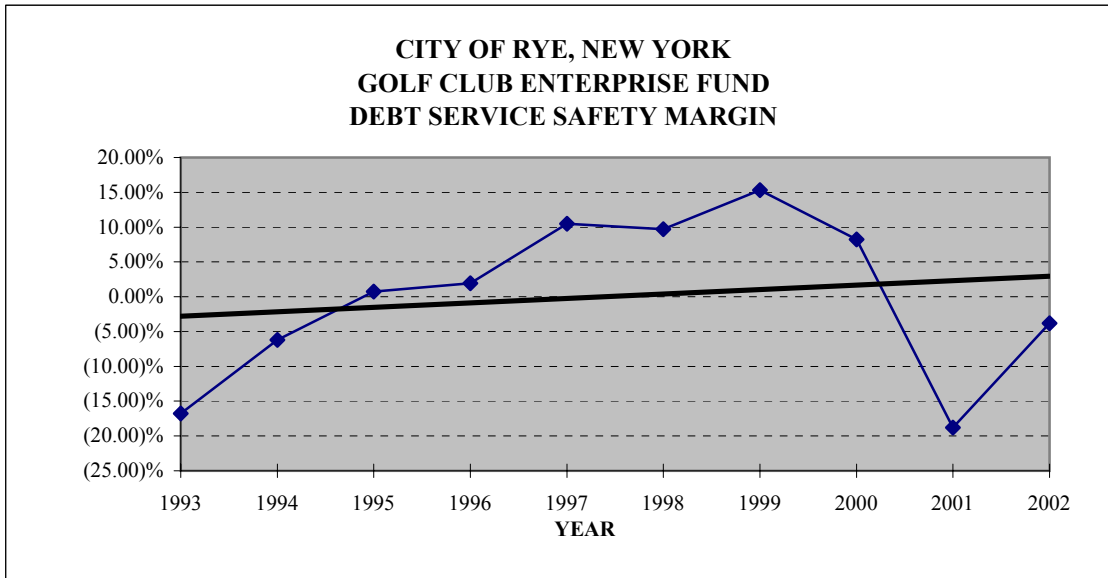
Debt service coverage for the Golf Club shows a slight increase, a positive trend. As in the debt interest coverage indicator, the fiscal 2001 negative operating results contributed to a decline in debt service coverage in that year. It should also be noted that the 1998 bonds were structured on a "level debt service" repayment schedule similar to a home mortgage, where total annual (principal and interest) payments remain the same. It is therefore very important to ensure that our results of operations are positive.

**City of Rye, New York
2002 Financial Trends Report**

**Golf Club Enterprise Fund
Debt Service Safety Margin**

Formula: $\text{Net Revenues} - \text{Debt Service Requirements} / \text{Gross Revenues} + \text{Income}$

Warning Trend: Decreasing trend line



Year	Net Revenues	Debt Service	Gross Revenues	Debt Service Safety Margin
1993	(\$64,131)	\$293,394	\$2,131,462	(16.77)%
1994	\$86,392	\$230,963	\$2,330,119	(6.20)%
1995	\$235,051	\$216,895	\$2,524,560	0.72%
1996	\$262,913	\$212,937	\$2,589,189	1.93%
1997	\$502,254	\$204,563	\$2,833,582	10.51%
1998	\$485,039	\$199,166	\$2,941,891	9.72%
1999	\$676,456	\$187,441	\$3,191,484	15.32%
2000	\$639,205	\$354,066	\$3,459,579	8.24%
2001	(\$82,579)	\$611,156	\$3,691,753	(18.79)%
2002	\$459,680	\$598,850	\$3,662,649	(3.80)%

The debt service safety margin measures the "cushion" we have to cover debt service. It considers our net income, less debt service requirements, and divides this by our total income. An increasing safety margin is a positive trend. Our Golf Club margin has steadily improved, but the same caveats expressed in the analysis of other indicators applies here - we must ensure positive operating results if we wish to preserve our ability to meet our debt service requirements.

